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BULGARIA

Deputy Chairman Iliev Interviewed on Changes in Academy of Sciences

22000039 Sofia RABOTNICHESKO DELO
in Bulgarian 17 Dec 88 p 6

[Interview with corresponding member Prof Dr Ivan Iliev, deputy chairman and chief scientific secretary of the Bulgarian Academy of Sciences, by Veliana Khristova, representative of the editors of DURZHAVEN VESTNIK: "Updating of Scientific Front—Structural Changes in Bulgarian Academy of Sciences"; date and place of interview not given]

[Text] In issue No 94, DURZHAVEN VESTNIK published an extract from the Council of Ministers' Order No 17 of 28 November 1988 on partial structural changes in the Bulgarian Academy of Sciences. This was the occasion for an interview by Veliana Khristova, representative of the editors of DURZHAVEN VESTNIK with Corresponding Member Prof Dr Ivan Iliev, deputy chairman and chief scientific secretary of BAN [Bulgarian Academy of Sciences].

[DURZHAVEN VESTNIK] What necessitated the closing down of the scientific centers and scientific trusts in the Bulgarian Academy of Sciences?

[Dr Iliev] In keeping with the decisions of the BCP Central Committee Plenum held in July 1988 on the restructuring of the intellectual sphere, and more concretely with the approved Basic Directions and Goals in the Restructuring of the Scientific Front, a complete restructuring of the Bulgarian Academy of Sciences was prepared. Important principles thereof are the consistent implementation of self-management at all levels in the science system and the coordination of strategic guidance with the scientific organizations' self-management.

The consolidated centers and scientific trusts are for the most part administrative links between the General Assembly of the Academy and its Presidium, on one hand, and the scientific institutes and independent laboratories, on the other. They were necessary given the highly centralized administration of the scientific institutes (fixed-limit allocation and reallocation of financial resources, table-of-organization slots, foreign exchange, official missions abroad, approval of no small part of the subject matter of contracts entered into by the center with foreign institutes, etc.). Given the drastic decrease in centralization (retention only of General Assembly strategy and substantial expansion of the institutes' rights, etc.), the consolidated centers and scientific trusts are no longer necessary as intermediary links. Therefore, on the suggestion of the BAN governing body the government decided that they would be closed down as of 31 December 1988 and that all their functions, rights and obligations would be transferred to the scientific institutes and independent laboratories.

[DURZHAVEN VESTNIK] Some institutes and other scientific units have been closed down, too. Will new academic organizations be established in these areas of science?

[Dr Iliev] The same decision of the Council of Ministers that closed down the consolidated centers and scientific trusts closed down the Philosophy Institute, the Musicology Institute, the Art Study Institute, and other scientific units. On the suggestion of the BAN governing body, the Council of Ministers, as of 15 December 1988, established a Philosophical Sciences Institute and an Institute for Art Study Problems. The decision also defined the field of their activities.

The BAN Presidium at its session of 6 December elected the directors of both institutes and approved the procedure for the formation of the newly constituted institutes as well as respective groups of scientists to do the preliminary work. On the suggestion of the groups, the BAN Presidium at its 15 December 1988 session approved the stationary scientific structure, elected deputy directors, scientific secretaries and section heads in the two newly constituted institutes, and also approved the membership of the scientific council of the Institute for Art Study Problems. This institute selected from the previous Musicology and Art Study Institutes personnel that had the requisite training for employment in its corresponding field of activity. Some of the scientific personnel and researchers whose training does not correspond to the new institute's field of activity have been referred to other institutes. For a small percentage (nine people), suitable employment will be sought with their assistance. It is expected that the selection of personnel from the closed-down units in the area of philosophical sciences for employment in the newly constituted Philosophical Sciences Institute in line with its authorized field of activity will be completed in a short period of time. In actual fact, the newly constituted institutes will start functioning effective 15 December.

These measures mark the beginning of the reorganization of the BAN structure.

Additional information: Prof Dr Vasil Prodanov has been elected director of the Philosophical Sciences Institute, and Senior Science Associate First Class Dr Ivan Marazov director of the Institute for Art Study Problems.

CZECHOSLOVAKIA

Viliam Salgovic's Plenum Speech

24000045 Prague RUDE PRAVO in Czech
19 Dec 88 pp 4-5

[Text of speech by Viliam Salgovic, member of the CPCZ Central Committee, Chairman of the Slovak National Council]

[Text] Today's plenum of the CPCZ Central Committee goes in its content and its import beyond the framework of our, one can say traditional, December plenums,

during which we discussed each year the plan for the development of the national economy in the following year. It is partly because we are evaluating tasks which we must accomplish during 1989 and in all of the Eighth 5-Year Plan, but partly also because at the same time we are discussing the basic directions of economic policy for the Ninth 5-Year Plan. The importance of our 12th Plenum lies mainly in the decision to convene the 18th Congress of the CPCZ a year earlier, in setting the date of the regional and district conferences, and in determining the agenda of the annual membership conferences and the dates when they are to take place. The point is to step up the activity of the party and the whole society in order to fulfill the strategic line of accelerating socioeconomic progress.

As far as the Slovak economy is concerned, after deviating from the goals during the first 2 years, we shall reach better results this year. According to preliminary results we expect that this year we shall reach a national income of Kcs 191-192 billion, which means an increase of 3.5-4 percent with a 2-25 percent increase in the national product. There are reasons to expect that planned production in industry, construction, in the agricultural-food processing complex, as well as in exports to socialist countries will be fulfilled. The fulfillment of qualitative indicators is improving, which is reflected in the increased share of the SSR in the income of the state budget. In evaluating the overall economic development, we focused our attention on overcoming the persisting negative phenomena, and fuller use of the potential and resources, so that the economy in Slovakia, directed by national as well as federal agencies, will contribute more significantly to the efficient growth of the Czechoslovak economy. We are aware of our duty to do everything to minimize deviations from the Eighth 5-Year Plan, so as to create as good as possible base for developing and fulfilling the tasks of the Ninth 5-Year Plan.

The drafting of 19 important legislative proposals awaits us in the next year. I think that there is a certain danger in this. The point is not to sacrifice depth of understanding and quality of planning and solution for speed. Another question, about which I wish to speak, is highly sensitive and indisputably timely. We can state unequivocally that the solution of the nationalism issue in our Czechoslovak Socialist Republic is in principle Marxist-Leninist, and I do not hesitate to say exemplary. That was confirmed even by M.S. Gorbachev during his visit here. I believe that we should give this issue due attention also during the 18th Congress of the CPCZ, and then also perhaps at some other future plenum of the Central Committee. What makes me say that? I am, same as millions of CSSR citizens, convinced that the Czechoslovak Federation has proven itself in full measure, that the brotherly coexistence of the Czechs and Slovaks and all nationalities was bolstered within the federative structure during the past two decades. A wider space opened up for applying, developing, and bringing together the creative energies and abilities of our nations

and nationalities. The positive evaluation of the contribution of the federative solution must not, of course, obscure some unused opportunities and open or not fully mastered questions, which must be resolved. We have to expect that in the future the restructuring will put others on the table to be resolved.

For the current period of restructuring it is particularly timely to remind ourselves of the point made at the 10th Plenum of the CPCZ Central Committee, that "there does not exist an issue of any importance which we are solving, which does not have its nationalistic aspect." Our experiences, as well as what we learned from our fraternal socialist countries, tell us that unresolved problems are exploited by adventuresome reactionary elements, which revive nationalism and chauvinism and attempt to paralyze the processes of restructuring and democratization. They do not hesitate to foment passions in situations such as those which have recently arisen for example in Bratislava and in Prague. That is one reason on which I base my proposal.

We say that it is necessary to learn from history. Permit me to give one example in this connection. Namely, the flood on the Danube in 1965, when the citizens of the entire republic, Czech and Slovak laborers, members of cooperatives, members of the intelligentsia, came to help Southern Slovakia, when they helped to overcome the disaster which affected many of our fellow citizens of Hungarian nationality.

That was a beautiful example of Czechoslovak patriotism and internationalism. It can be said that in the day to day life of our people, regardless of nationality, the awareness of common responsibility prevails, and the cooperation and fraternal coexistence between nations and nationalities are growing stronger.

As I already said, it does not mean that we could or should bypass unresolved issues which could damage relations between our nations and nationalities. We need to approach them with great political responsibility, in a principled, sensitive way. He who loves the republic will take care that correct relations of cooperation and brotherhood are reinforced.

We are responsible for creating equal status for children who are taking admission tests for college whether they speak the Czech or the Slovak language. The Slovak Communists welcome the fact, that a committee for directing party work in the Czech Socialist Republic was created and began to function, which together with the KSS Central Committee will undoubtedly make a contribution so that the unity of our party, not the federated one, but the Communist Party of Czechoslovakia, is in the forefront of the correct, basic resolution of the nationalistic issues as well. In this effort the CPCZ Central Committee has the full support of the communists in Slovakia, their agencies and organizations, state and social organizations, our working class and working people.

Miroslav Slavik's Plenum Speech
24000049 Prague RUDE PRAVO in Czech
19 Dec 88 p 4

[Address by Miroslav Slavik, member of the CPCZ Central Committee, chief secretary of the North Bohemia Regional Committee of the CPCZ]

[Text] I should like to express my agreement with the proposal made by the presidium of the CPCZ Central Committee to call the 18th Congress on 10 May 1990. Now it is up to us to plan before the 18th Congress its agenda and to prepare the cadres for the party's annual membership meetings and enterprisewide conferences. Furthermore, our objective is to activate the party membership base all the way to the workplace for the fulfillment of the restructuring program. We still owe much to the quality and standard of our political-ideological work in basic organizations after the plenum of the party's Central Committee, to emphatic consolidation of democracy within the party, intensification of its right of control, and activation of the whole membership base. We are raising the level of party education in our district political schools, in political education centers and in the regional school.

Our basic organizations, national committees and economic organizations, as well as organizations of the National Front have done a great deal of honest work after the 7th plenum of the party's Central Committee. Nevertheless, its results are not always equal to their exerted efforts. We can detect the problem in the substandard managing and organizational work, in delayed reactions to the changes in the quality of goods and also in the lack of response to some legitimate suggestions and proposals of our work teams. There are no in-depth explanations why certain state enterprises are procrastinating with the activation and use of their capital assets and inventories, and why they are delaying the introduction of scientific and technological advances and innovation of their products. Moreover, we are not efficient enough in harnessing labor initiative and pledges—an area where we have many opportunities and untapped resources. On the other hand, we have gained valuable experience with some labor teams which adopted the programmatic appeal of our government, such as, for instance, the Otavan in Trebon which exceeded its production for domestic markets by Kcs 27 million, the Fezko state enterprise which overfulfilled its tasks by Kcs 25 million, the Partex in Nova Vcelnice, Sumavan in Vimperk and Jitka in Jindrichuv Hradec. Our manufacturing cooperatives will exceed their deliveries of consumer goods for domestic markets by Kcs 18 million.

A discussion here dealt with our socialist agriculture. In our kraj we have increased crop production over livestock production; we are substantially reducing the number of lagging unified agricultural cooperatives [JZD's] and thus, we shall meet the requirements for self-financing as of 1 January 1989. For the 3 years of the Eighth 5-Year Plan we shall exceed meat production by

3,600 tons, milk production by 20 million litres, and grain production by 134,000 tons. We are encouraging the communists to cut production costs and overhead.

The report presented by the premier of the federal government, Comrade Adamec, confirmed that the plan for 1989 contains several still unresolved problems. That will call for a more resolute approach by individual ministries, economic enterprises and party organizations. We want to be well prepared for the second stage in the establishment of state enterprises whose structural changes are plagued by many patent problems. We insist that the founders dispatch to okreses and krajs as well as to enterprises competent executives determined to explain the importance of the restructuring. Our objective is not only to set up state enterprises but also to help mobilize their internal resources and improve their supplier-consumer relations and, thus, to increase and improve their production, efficiency and labor productivity, and above all, to pay wages according to merits.

We urge communists to focus on the overfulfillment of the qualitative indicators of the 1989 state plan, particularly of profits; we have raised production of consumer goods for domestic markets and exports to nonsocialist countries by 8.3 percent, and cut material costs in outputs by 2.1 percent. We have ample opportunities to cut costs in our industry and agriculture as well as in construction which has been losing annually Kcs 100 million in costs, especially for fines and penalties and also due to unfulfilled economic contracts. Inferior goods caused losses amounting to Kcs 20 million. Here we intend to strive for better control by the party and for greater responsibility on the part of the managers.

The demands on our cadres have been escalating, particularly in conjunction with the independence and self-financing of state enterprises in which we are not making strides in improving the technical and economic standard of goods and in upgrading the production base. Good examples have been set by the Jihostrój enterprise in Velesin and the Kovosvit in Sezimovo Usti which manufacture programmed cultivators, by Jiskra in Tabor, Agrozet in Pelhrimov and others.

Additional problems include employee fluctuation and utilization of natural resources in protected areas of the Sumava mountain range. Thus far, we have not taken full advantage of the decision by the CSR government on aid to districts adjoining the western borders which have many untapped assets. We are particularly concerned about the construction of family homes in conformity with natural conditions, which would strengthen our economy and reduce the fluctuation of skilled workers, especially the young ones. The Sumava sectoral enterprises initiated a program for its associated production which calls for the construction of 50 individual homes in 1990 and of 200 family houses annually in the Ninth 5-Year Plan, using timber and nontraditional materials in the value of Kcs 350,000 per unit. At the same time, we intend to reduce the construction of prefabricated

homes in the border areas of our kraj. In this conjunction, we are exploring ways of ecological improvement. In cooperation with the Research Institute of the Czechoslovak Academy of Sciences in Suchdol and other enterprises, a fluid boiler of 730 kW capacity was developed for highly efficient—over 80 percent—desulfurization. This system may be used as a small incinerator for combustible waste, substances containing crude oil, and polluted gases. We expect that the mechanization plants in the district of Cesky Krumlov will gradually begin to manufacture 300 to 500 such boilers annually.

The entry in the period of debates prior to the 18th Congress and the fulfillment of the plan for 1989 demand major upgrading of the programs of the regional party committee and of district committees; specific aid to basic organizations; assignment of realistic and challenging goals for the communists; development of ideological education; intensification of our dialogue with labor teams; better information; more open policies, and far greater expansion and generalization of experience from the process of the restructuring of the economic mechanism.

In this context I want to applaud the first steps which the Committee for Party Work in the CSR is taking to strengthen the party's influence on the activities of the communists in the Czech government in the Czech National Council, and other organizations. The debates and decisions by the Committee for Party Work in the CSR facilitate much more prompt application of gained information in our kraj, districts and basic organizations. Furthermore, I want to say a word in support of higher influence of our party and its responsibility for the quality, selection and training of managerial cadres.

The decisions of the 10th plenum of the CPCZ Central Committee and specifications of this plenum will inspire us to demonstrate more initiative in our work for the party's 18th Congress, to encourage every communist's awareness of his or her personal responsibility for the fulfillment of the party's decisions, to prepare the ground for comprehensive party programs and initiative of basic organizations, and to encourage creativity and civic and party pride everywhere. Moreover, we must strive for a critical and self-critical attitude, and overcome old habits which have nothing in common with the restructuring or with a creative development of Marxism-Leninism. The working people in the South Bohemia Kraj and the people throughout our republic support the party's Central Committee and our state leadership, however, comprehensive development of labor initiative depends on ourselves.

Michal Spak's Plenum Speech

24000051 Prague RUDE PRAVO in Czech
19 Dec 88 p 3

[Text of speech by Michal Spak, Member of the CPCZ Central Committee, Leading Secretary of the CPSL Regional Committee]

[Text] The period following the 7th and 9th Plenums of the Central Committee of the Party became an important landmark in our work. For the time being we are

unable to present a detailed summary of the results of the work of our regional party organization for this period. However, from only what we know about results achieved this year, we can deduce many lessons from our work. In our regional party organization we have been aware that the tasks assigned by the 7th and 9th Plenums of the Central Committee are exceptionally difficult and that we shall not be able to accomplish them by traditional, even though in the past proven, methods. That is why we have been searching for new approaches.

Purposeful activity and gradually increasing efficiency of the work of agencies and individual managers are beginning to bring positive results. In the region, we are fulfilling the planned tasks in industry as well as in agriculture. Among other things, we registered the highest harvest of densely sown grain, and we produced more than 1 million tons of grain. Nevertheless, the growth of the economy in the region is to a considerable degree extensive. The fulfillment of the plan still hides inputs that are far too high. In the region we have not succeeded in making the structural changes which were designated by the regional conference of the CPSL. The dynamics of production in branches which are material, energy, and raw material intensive continued to rise. The situation is very unsatisfactory and complicated in the electrotechnical industry, where the increase of the volume of output and the putting of capacities into operation should be faster than has been the case thus far. At this time there is too much vagueness in the production programs and in the concepts of the investors in this branch. Not only is it difficult to understand, but it is even more difficult to explain to somebody why in the plant MEZ Michalovice new manufacturing halls with an area of 30,000 square meters have stood empty for more than 2 years. We had several meetings at the regional party committee level with the central authorities and investors of the department. But there are still only plans and unfulfilled promises. We are therefore asking to be given effective help.

Even though the results in plan fulfillment in the region are on the whole good, I wish to say that not everybody made sufficient use of time to prepare and fulfill tasks. In some enterprises, and also in some party organizations, there was far too much hesitation and speculation on how to make the tasks less difficult, instead of putting all energies into fulfilling them.

Much has been done in the region toward the realization of the tasks of the 7th and 9th Plenums of the CPCZ Central Committee, but not as much as we wanted and as would have been needed. There are quite a few complicated matters, problems, and shortcomings. However, we want to see them clearly, we do not want to hide or embellish anything. In the party agencies of the region we are well aware that we have to promote energetically to leading positions people who are not only willing, but above all, are able to bring the management and organizational work, and thus also results, to a higher, qualitatively new level. We endeavored to do that at the district

and regional conferences of the party. So far we have not succeeded in everything. What we learned from the elections of self-governing agencies and directors in 34 state enterprises also confirmed that we are talking about a complicated and very sensitive area.

Without an active approach of party agencies and organizations, the success of the work is unthinkable. However, the founders stay at the administrative level, and are concerned mainly with the formal aspect of the matter. In the second stage the tasks will have to be substantially better planned and much more enterprising. In the planning stage as well as in the final decision-making the territorial party agencies must have a greater say. It is almost abnormal how quickly and unequivocally even the departments of the Central Committee of the CPCZ and CPSL lean to the side of the founder. Everywhere, where we had more time to plan, where we could evaluate all problems including those of cadres in peace, we had good results. We have proven to ourselves that our cadre reserves are not prepared everywhere, there are too few of them, and some refuse to enter into competition for a supervisory function.

During decisionmaking at an enterprisewide meeting or at a meeting of delegates, there is a strange atmosphere, such as until now we found very seldom. It so happens that the mood and opinions of the collective are quickly influenced by negative attitudes of individuals and groups. As a rule, a good situation does not evolve around demanding and good longtime directors and around those who are proposed by an internal party organization.

There is no lack of admonitions, at the enterprise level as well as from party agencies and organizations, as to whether we are already at such a level of development that democratic elements can be applied to that extent in directing production. It is being pointed out that not even neighboring socialist countries choose such a form every time. In our region we learned from experience that everywhere where the planning of organizational structures was given appropriate attention, even the most complicated problems were resolved successfully. However, that requires good political-organizational work and responsible attitudes and approaches. We have not succeeded everywhere in saying frankly to all the personnel that, for example, the two or three proposed candidates are equal and each of them can carry out the function of director, and if he is not elected, he will have the second or third most responsible function in the enterprise. We cannot allow a repetition of the situation when a candidate who was not elected could not even work in the enterprise after the elections.

The basic component of the party structure are the basic party organizations. That is where it is often determined how well party policy will be realized. The achieved results depend to a decisive degree on the level of their

work. And it is precisely here where we have not inconsiderable difficulties and concerns. It is only with difficulty and so far only slowly that we are succeeding in raising their work to a high level so that it would be commensurate with today's tasks. First and foremost, we want the basic organizations to rid themselves of formalism which places them in great danger of making their work insensate. We do not want membership meetings to take the place of production consultations, to have the committees do the work and make decisions for the supervisors. By giving a concrete form to the work of party organizations and studying the results of the work of individual communists, giving accounts to the council and the entire organization, the membership meetings become a place of activation and a useful exchange of opinions. Our experiences confirm that where there is direct criticism or self-criticism, there is also initiative and activity.

Somehow in the past, however, we broke the habit of engaging in sincere criticism and self-criticism. We are uncomfortable with a situation where we do not talk only about the work of people in whom we take pride, but also about those who are here just for the ride, who live off the work of others. Party organizations as well as managers must play an important role here as well. Except that rhetorical displays and talkativeness are common phenomena here even in party work. How often we avoid frank discussion about sensitive problems! But we must get used to them too. Personally I have a rather bad feeling in not a few instances that we want just to orate about everything and basically change nothing.

A person working in a state of uncertainty cannot give a full-value performance. Given the current complexities of party work and the demands on leading party workers, the question presents itself: Who taught us how to direct a party organization, a party agency? The Political College of the CPCZ Central Committee has not taught that for years, and so far we have paid little attention to it also in party education. We are therefore pleased that this year the Central Committee established a 2-week course for the leading secretaries of district committees of the party. Such action should be a rule in our work, not an exception. It is difficult for a person, if during one or even two election periods a leading district secretary does not see a live general secretary and many members of the Presidium of the Central Committee of the Party.

The apparatus of the Party should work at a high level. It should have not only a high level of education, but also be highly qualified. We have been building it now for several decades, and on the whole we have been successful. But to get able people is, of course, a very complicated matter. We should think hard about it and search for acceptable starting points.

Bohuslav Chnoupek's Plenum Speech
24000044b Prague RUDE PRAVO in Czech
20 Dec 88 p 5

[Abridged version of speech by Bohuslav Chnoupek, member of the CPCZ Central Committee]

[Text] We live, as is being said, in the century of the global village. We live in revolutionary times. The eighties are largely different from the fifties, and the world is constantly changing, faster all the time. In all respects. Both realities have a fundamental impact on the entire international situation. Conflicts inherited from the past are diminishing, old disputes and antagonisms are losing their importance, and the concept of the character and criteria of progress is changing. But new differences are making their appearance and new conflicts are arising.

For that matter, the entire complex of these issues was brought out by Mikhail Gorbachev in his memorable speech from the podium of the greatest world organization.

He especially pointed out how naive it would be to suppose that problems which trouble mankind today could be resolved by means and methods which have been used in the past, and which already belong, or will very soon begin to belong, in the past. Socialist countries are undergoing revolutionary advances.

The historical mission of socialism with its restructuring, its renewal, is projected into the growing global dynamism with a force not seen before. It can be said that the restructuring and renewal in the Soviet Union and in the socialist countries are becoming, because of their international character, the decisive force in the restructuring of the world.

Our party and all of our society spontaneously welcomed the fact that in the conclusions of the 7th Plenum of the CPCZ Central Committee we so unequivocally embraced this only alternative for constructing socialism. And that similarly as Gottwald, who during the bolshevization of the party urged that we acquire international values, we, too, have understood the character of the restructuring in this sense. We have been afforded now the opportunity to enter, within a broad international context, the mainstream of worldwide social progress.

The internal processes of change cannot attain their national goals as long as they take a course so specific and so independent that they are in effect isolated from the progress and achievements of the surrounding world. The "Great China Wall" policy of isolationism has always been harmful. It has never brought benefits.

In this respect the 7th Plenum of the CPCZ Central Committee will enter the history of our party as the moment of truth, when after a period of indecision the

Central Committee absolutely clearly proclaimed a policy of restructuring, that is, democratization and economic reform. Since then, during a relatively brief period, as we learned from Comrade Jakes and Comrade Adamec, the new party leadership and the government have done an impressive piece of work.

I am thinking not only about the political sphere, but also the economic and the ideological, and the spiritual life. The party was activated, people became active participants in our turbulent events. Trust in the party is beginning to grow again. Surely history, too, will so judge this period.

One would have assumed that since last December enough time has elapsed for the philosophy of the restructuring and renewal to be generally understood. But if we analyze this period we can see that the problem is much more complicated than was originally assumed. It was, for that matter, the experience of our Soviet friends as well. They are saying frankly today that when they embarked upon the daring revolutionary changes, they did not rule out making mistakes, that many phenomena will bring forth new problems, that tendencies to apply brakes will appear. However, they did not expect that there will be resistance attempting to slow down these changes or even to stop them.

What is the situation here, what is the course of the restructuring of the economic mechanism which is on the agenda of our proceedings? We shall not be far from the truth if we say that the situation here is similar. Nevertheless, the restructuring is under way. We are introducing it into our life with deliberation, without undue haste, and without unnecessary delays. In this we draw on the experiences of our friends. That is good. But on the other hand, we have problems which are by no means negligible. The presentations of Comrade Jakes and Comrade Adamec, as well as the discussion itself, do not, after all, hide this fact.

Wherein lie the causes? The principal one, to my mind, is the fact that not all of us have absorbed deeply enough the world-view aspect of the restructuring, its meaning, its substance, the reality that at issue is a revolutionary change of the concept which weakens socialism to a concept which strengthens socialism. That to continue in the former method of constructing socialism would be fatal not only for socialism but also for a peaceful development in the world. That the gap between the capitalist countries and the socialist countries in technological progress, labor productivity, and general scientific research development began to mercilessly and dangerously widen to our detriment, all of which, one thing upon another, was in contradiction to the fundamental values and particularly the potential of socialism, and that life itself highlighted for us the inevitability of these revolutionary changes. Obviously, this basic lack of understanding is the reason for even the honestly meant questions, sincere reasoning, and candid thinking of

those communists whose life was totally bound with the policy, the work methods, and the understanding of matters as they were taught and as they practiced them.

Their questions are therefore humanly understandable. Their reasoning and doubts are respected. And so the fact that they do not understand much that concerns the restructuring virtually demands that these questions be swiftly and sensibly explained. And in this matter our ideological front is particularly very much in default. Comrade Kubik spoke about this very well during the discussion.

Comrade B. Chnoupek then took up some other questions and in conclusion supported the proposal for convening a congress in May 1990. He said that an advanced convening of the congress is to be welcomed. The extensive work connected with its preparation, those 16 months which are left before the congress, demand above all the unity of the party, and again the unity of the party, and then again the unity of the party—the only guarantee of its capacity for action. Only thus can we succeed, as Comrade Jakes emphasized, to quicken our step, eliminate indifference and apathy, and put the entire intellectual potential of the party, the entire party, into motion to manage the preparations for the congress. The challenging tasks of the plan for next year and of the restructuring of the economic mechanism, presented in the report of Comrade Adamec, require no less a concentrated effort of the entire party and society to fulfill them aggressively. Such effort and capacity for action can be achieved only by unity of thinking. The organizational measures, which we accept, must also be understood in this sense.

Vladimir Kocandrlé's Plenum Speech
24000048 Prague RUDE PRAVO in Czech
20 Dec 88 p 5

[Text of speech by Vladimir Kocandrlé, candidate member of the CPCZ Central Committee, Director of the Institute of Clinical and Experimental Medicine, Prague]

[Text] The state of health of our population is an area which, beside its humanitarian aspect, has an important economic function as a developmental and replacement factor for an efficient use of the labor force. To underestimate the importance of health as the most important value from the point of view of the needs and interest of the present and future society, would lead inevitably to serious negative consequences in all spheres of our life.

If we wish to achieve an improvement in the currently unsatisfactory state of health of our population, which, however, would begin to manifest itself only after 10 or more years, we must make fundamental changes in our life style even now. Apart from the antismoking program, the program for controlling high blood pressure, the program for increased physical activity and recreational physical education, we must develop quickly a

program of proper nutrition. This year we in our institute made a study of the risk factors in 11 and 12 year old children. As is known, a high blood cholesterol level is an important risk factor in developing arteriosclerosis and coronary thrombosis. We found that one-third of these children had pathologically high levels of blood cholesterol, and one-eighth even levels which are considered very critical. At the same time, however, we pointed out that these high cholesterol levels can be controlled by a proper diet. A group of these children underwent a diet therapy at a spa and after only 14 days their cholesterol levels dropped considerably. If we do not initiate a program of good nutrition, today's high levels of risk factors, particularly of cholesterol in children, will result in further increases in the number of cases of coronary thrombosis in younger age groups.

What should and could we do on an accelerated basis in the area of proper nutrition? Lower energy consumption by 10-15 percent, lower overall consumption of fats and replace a considerable part of animal fats by vegetable oils, lower the consumption of meat by 15-20 percent, and increase the availability of white meat and fish, lower the consumption of sugar, alcohol, and salt, increase the intake of vitamin C, and increase the intake of fibre. To achieve these goals would mean, of course, a fundamental change in eating habits and structure of meals. That will certainly be a long-term process, at the beginning also unpopular among many citizens, but we have relatively good chances for starting it and for creating the necessary habits. By adopting appropriate measures, we can actively influence a high percentage of our population which take their meals in day nurseries, nursery schools, and school and factory lunchrooms.

For the state of health of our population, the state of the environment is of fundamental importance. The overriding task in this area is the reduction of air pollution, particularly sulphur oxide, which pollutes not only the atmosphere but also lowers the quality of water and soil. The measures proposed for improving this situation must be very consistently implemented. A very positive move, as was suggested by Comrad Adamec, would be a meeting of the leaders of governments of neighboring countries in Prague, which would take up these issues.

The improvement of the environment and a change of life style are of decisive importance for the improvement of the state of health, but their beneficial effect will be seen only in the future. Nevertheless, now, as well as after the year 2000, we will have to take care of our sick.

We have some positive aspects in our health care, but also a number of serious shortcomings which we shall have to resolve. As relatively positive I consider, for example, first of all the lifelong postgraduate education of our physicians and health care technicians. However, we have some chronic problems in making certain that health care services have an adequate number of the needed workers, and some new problems have begun to appear lately. A shortage of nurses has been going on for

years, and the ratio of health care technicians to physicians is unfavorable. A partial solution is certainly possible by increasing the number of graduates of nursing schools. But given the high turnover of nurses, who leave for other, less demanding, jobs, that is not enough. I think that there are two reasons for this phenomenon. In the first place, it is the unsatisfactory remuneration of health care workers, where the average wage is Kcs 200 lower in comparison with the average wage in the economy as a whole despite a high percentage of workers with high school or college education. The second reason is an inadequate social value attached to the work of nurses. Without wanting in any way to belittle the importance and difficulty of agricultural work, we should think of how many state awards of appreciation of all kinds have been extended to those tending farm animals and how many to those tending people.

The high turnover in nurses could certainly be decreased by purely administrative measures. Full high school education in middle health care schools should apply only in the department of health services.

A warning signal for the quality of the future generation of physicians is the sharply declining interest in studies in medical schools, which has been taking place in recent years. Even here, one of the main reasons is the unduly low compensation of newly starting young doctors, their poor social benefits, and most of all the small number of apartments allotted to the health care sphere.

The era of scientific and technological revolution did not bypass even the health care field, where there has been a tremendous increase of new knowledge, development of more effective medications, and construction of a new generation of diagnostic and therapeutical instruments. These advances make possible a more precise and quicker diagnosis and more efficient medical treatment, but it also brings with it substantially higher financial demands which, however, because of the lower morbidity and mortality have a high rate of return. Our health care at the same time is dependent to a considerable degree on imports of health care technology from non-socialist countries, whose technological level but also prices are constantly rising.

As health care specialists we value very highly the fact that the Presidium of the Central Committee of the Party discussed in detail the state of health and the health care problems, and adopted important measures aimed at improving the situation. Some of the problems can and must be resolved by the health care service itself by a better use of internal resources which no doubt exist. However, only a comprehensive solution can be effective, which means public and national responsibility for health.

Vaclav Sipek's Plenum Speech

24000050 Prague RUDE PRAVO in Czech
20 Dec 88 p 4

[Address by Vaclav Sipek, member of the CPCZ Central Committee, chief secretary of the North Bohemia Regional Committee of the CPCZ]

[Text] A year has passed since the 7th plenum of the CPCZ Central Committee which represented a milestone on our road to a more resolute and dynamic fulfillment of the strategic line set by the 17th Congress, and on our way to comprehensive restructuring and democratization of every area in our public life. Naturally, a number of accumulated problems could not be eliminated in a single year, much less so overnight, as many people would want. Some of those problems are getting even worse and more entrenched. People see them all around and legitimately criticize them. We also are impatient with the thinking and performance of the working masses, of our members, and what is even more, of our party officials, which are not changing fast enough. And yet even in our kraj we feel that the situation today is different than a year ago. The general atmosphere in our society is gradually changing. The party leadership, although not yet the whole party and its every link, is gaining trust and authority. Since the 7th plenum of the CPCZ Central Committee, every plenum of the Central Committee has been awaited with growing interest not only in the changes of the cadres, which are naturally the focus of the greatest attention, but also in specific solutions of a number of timely issues related to our economy, policies and infrastructure. The communists—but not only they—are pleased to note that the attitude to the fulfillment of the political line proclaimed by the 17th Congress has changed, and that the fundamental credo of successful policymaking, the unity of words and deeds, is being restored.

The decision by the presidium of the CPCZ Central Committee about annual membership meetings of basic organizations, plenary sessions and party conferences preceding the 18th Congress outlined the ideological and political orientation for the agenda and tasks of the pre-congress campaign, and stipulated also their specific organizational fulfillment. I am gratified that this is being done with an unprecedented headstart. To us in individual krajs, okreses and basic organizations it means enormous help and an important guideline.

In the opinion of our regional committee, one of the main preconditions for a faster advance of the restructuring is above all a clear conception—the realization of specific problems, their correlation and priority—with which we need, and must, come to grips. We want the most relevant and urgent issues to be on the agenda of every meeting in our kraj and okres party agencies. By the same token, we do not regard this plan as a dogma, and we shall specify it in detail as the actual situation develops. We want our working people and all our citizens to have more confidence in our party as a whole

and in our individual agencies. We want to build this trust on correct, scientifically proven policies of our party, on systematic solutions of our kraj's vital problems, on our open and sincere political line, on the moral-political character of our members and officials, and on their personal example. We do not intend to promote our party's leading role by bureaucratic methods and instructions and by "do as ordered" work style. Today we are launching the pregress campaign during which we shall strive most of all to elevate the authority of every party agency, of every basic organization and of every communist.

It is essential for us to be fully aware of our goals, our main tasks, clear concepts and systematic proceedings. Of course, it is just as important that we adopt a truly Leninist style of work and overcome all routine, formal and bureaucratic methods. Higher party agencies must set an example in this respect and provide guidance to basic organizations. The force of habit and routine notwithstanding, the work style of our party agencies is undergoing a gradual change. The role of our elected officials is growing; we are exploring ways to provide consistently conditions for a far-reaching democratic participation of our members and candidates in discussions of key political problems affecting the life of our kraj, and in decisions concerning the methods of problem solving. At the same time, we are focusing on practical assistance to basic organizations. More and more frequently we are enforcing, albeit not without difficulties, the method of personal accountability of party officials in charge, state authorities and economic managers. In the past, this task was presented to the regional committee by the directors of the experimenting enterprises Crystalex and Jablonec Costume Jewelry, by the director of the North Bohemia Lignite Mines, and relatively recently also by the top officials of the regional national committee. Such acts, particularly the activities of the members and candidates of the regional committee, differ from previous procedures which followed the traditional method. We have given up the practice of prearranged debates. District party committees chose the same method, although with a different effect. By expanding the number of commissions and especially by their activation, we are trying to increase the actual input of the members and candidates of our regional committee in the planning of the meetings and by the same token, to improve information necessary for their intelligent decisionmaking.

We are striving to develop a new style of work which involves undoubtedly also flexible reactions and solutions of all cases which in the past used to be neglected and which therefore began to grow from technical problems into serious political issues. As an example I should like to mention how we deal with the problem of unoccupied apartments in the North Bohemia Kraj. Following a review of letters and complaints from the working people and the public, the presidium of the CPCZ regional committee tackled the problem of more than 10,000 vacant housing units registered in our kraj

whose number was rising year after year. Instead of the proposed set of measures, the presidium adopted a brief decision addressed to the regional national committee—that the number of vacant apartments be drastically reduced. Persistent party and public control in one year lowered by 5,870 units the number of apartments which for various reasons were vacant, and made them available to tenants.

We regard actual accomplishments of our labor teams as the criterion of efficiency in all our work. In the 11 months of the current year, the plan for the production of goods was exceeded by Kcs 582 million, and adjusted value added by Kcs 327 million. Most of the credit for it goes to our miners who in 3 years of this 5-year plan produced 4 million tons of lignite above the plan. This year alone they will deliver an additional 1 million tons of graded coal. Coal supplies stored in power plants are the highest in all past years, which guarantees sufficient power and heat for the winter season.

The new oil-processing cracking plant in the Czechoslovak-Soviet Friendship Chemical Works in Litvinov made a successful start of its operation in required parameters, which may be credited to the efforts and initiative of the Litvinov chemists and all participating organizations.

We appreciate the fact that first teams are already reporting the fulfillment of their plan for 1988. However, the North Bohemia construction industry is facing a disappointing situation at the end of this year. It has not met any of its tasks stipulated by the state plan. It will not finish on deadline the building of 16 public facilities in housing developments. The construction of heating plants and of school buildings is behind schedule. Therefore, we are planning to discuss the discredited reputation of the North Bohemia construction workers at one of the next meetings of the regional party committee in 1989.

Our citizens are critical also of environmental issues. Our public is aware how they affect our nature and the health of our citizens; after the kraj conference, this whole public program was properly included among the priority tasks of the party work. A fundamental task concerns better air. An extensive and expensive program for the reconstruction of separators for flue ashes and for the installation of a central heating system is underway, with special emphasis on the construction of desulfurization facilities. Despite great efforts, the remodeling of 10 out of 18 separators is behind schedule.

In conclusion, two remarks. First, in my view, the decision of the presidium of the CPCZ Central Committee on annual membership meetings, plenary sessions, and party conferences represents an important step toward greater democracy within our party. However, our experience with recent annual party meetings indicates that it will not be easy to translate this decision into reality. Secret elections, the choice of several candidates,

as well as more democratic methods of implementation of our party's leading role must be enforced, especially among our party officials and activists, and the habits and routine of many years must be overcome. We must be well prepared for that task, particularly because quite a few individuals in the okruges, krajs, and also in the center are viewing these measures with distrust and, at best, are acknowledging them with a very passive attitude.

As for the submitted proposals, I greatly appreciate the political finesse in the course of the changes that must unavoidably be made in the leadership of our party.

GERMAN DEMOCRATIC REPUBLIC

Military Policy in Peacetime Discussed

23000061b East Berlin EINHEIT in German
Vol 43 No 11-12, Nov-Dec 88
(signed to press 18 Oct 88) pp 985-990

[Article by Gen Heinz Kessler, member of the SED CC Politburo, GDR minister of defense: "Protecting Our Achievements, Safeguarding Peace Through Vigilance"]

[Text] As in all other public domains, so also in that of the military protection of the socialist achievements, the policy of our Marxist-Leninist party has always been defined by loyalty to principles, continuity and yet flexibility, and it has normally adapted itself in good time to new requirements for our struggle. It has always been committed to the vital interests of the working people, notably to the safeguarding of peace. That is impressively confirmed by reviewing the last seven decades since the congress that founded the KPD.

From 1914 to 1918 the struggle against the mass-murderous imperialist world war was the international workers movement's most pressing task. The growing intent of ever broader strata of working people to end that bloody carnage was one of the essential impulses for the revolutionary insurrections in 1917 in Russia—first the February and then the October Revolution. In Germany it led to the big armaments workers strikes of January 1918 and, finally, to the November Revolution, and it went a long way toward helping silence the weapons.

It was in accordance with their character and sense of identity as the revolutionary vanguard of the workers class that the leftists in Germany from the outset bravely fought against the imperialist war and were the most resolute in championing the demand for peace and international understanding. It was only logical for the Spartacus League to constitute itself as the KPD also as the "only peace party," the only political party in Germany at the time which, as the Thaelmann central committee later put it, "can resolve all basic issues of German and international politics without a war of conquest or without enslaving or threatening foreign nations."¹

As things were at the end of World War I and in the 1920's, however, the KPD, like all the other Comintern parties, had to assume the likelihood of more imperialist aggression, especially of assaults against the young Soviet republic. That elevated the development of ties with foreign fraternal parties to one of the most important program points, to "shape and secure peace through an international fraternization and the revolutionary uprising of the world proletariat."²

Fighting against war and against capitalist class rule were nearly identical at the time for the communists in the capitalist world. As the program of the founding congress put it: "The world war confronted society with these alternatives: either continuing capitalism, more wars, and perishing very soon in chaos and anarchy, or abolition of capitalist exploitation."³

For all that, they did recognize the chance to uncover, even prevent, specific acts of aggression. So one could read already in KPD and Comintern resolutions and theoretical treatises of the 1920's "that one cannot wait for imperialist war, but must at once fight against it."⁴

As a matter of fact, in line with the resolutions from the Brussels and Bern party conferences, and even under the toughest conditions of illegal struggle against Nazi rule and of the emigration, still after Hitler Germany had occupied Austria and Czechoslovakia, the party did what it could to prevent German imperialism from unleashing another world war through uniting all anti-fascists in a powerful united front.

During World War II this struggle was logically carried on through the joint efforts of German and foreign anti-Fascists in armaments plants, penitentiaries, and concentration camps, in the Free Germany movement, in partisan campaigns and many other forms of resistance.

In those tough years, the communists, many Social Democrats, and responsible bourgeois politicians came to the firm conviction that after the triumph over Hitler barbarism the power of the militaristic and imperialist forces in Germany had to be broken for once and for all, that through establishing a democratic German state and its friendly relations with the Soviet Union and all other peace-loving peoples a guarantee had to be found so that never again would war emanate from German soil.

That is what happened in the territory of the GDR. In the outcome of the anti-Fascist-democratic and the socialist revolution, all military and security policy measures for the armed protection of our country against aggressive assaults are subordinated in our country to the one overriding purpose, the preservation of peace.

After German imperialism had plunged the German people into two devastating world wars and the unholy alliance between Junkerism and big capital had proven unable to solve the most important question of survival

for our people's future—the maintaining and consolidating of peace with the other European nations—the bourgeoisie had forfeited its claim to leading the nation. Now the workers class and its allies, its revolutionary party, acquired the historic responsibility to create the social conditions and the kind of policy under which the peoples and states in the heart of our continent—to quote Lessing—could pursue, with cordial congeniality and decency toward one another their prejudice-free aspirations.

The pledge, "Never again war and Fascism," that "founder's oath" of the GDR, as Erich Honecker called it once, evolved directly out of the war catastrophe to be blamed on Hitler Fascism and its devastating consequences. It reflects also the assurance about the future, the historic mission of the workers class, to surmount not only the exploitation but also the eradication of man by man.

Contents of Our Military Doctrine

The start of the nuclear and space age and the mass production of nuclear weapons and their combination with far-reaching and extremely fast and accurate delivery systems turned a reexamination of the role of war and peace into an inescapable need for the communist and workers parties as for all peace-loving forces, all responsible politicians of all nationalities.

Under prevailing conditions in the state of science and technology, and in view of the truly gigantic destructive potential of the nuclear stockpiles, preventing any military conflict between the big powers, especially between the two most powerful military alliances in world history—NATO and the Warsaw Pact—has become an indispensable condition for the survival of human civilization. A successful protection of our accomplishments and of peaceful socialist construction becomes, today and in the future, identical with preventing imperialist aggression, with banning war as an instrument of policy. This realization forms the background for the military doctrine the Warsaw Pact member states proclaimed in Berlin in May 1987, the tenor of which may be summarized as follows:

1. The military doctrine of our alliance—as well as of each individual member state—is subordinated to the task to prevent any war on our continent, be it one conducted with nuclear weapons or nonnuclear weapons.
2. Our military doctrine is oriented to confining the armed forces of the Warsaw Pact states and their equipment to an absolutely necessary measure of defense capability, commensurate with NATO's military activities and capabilities. At that, our countries regard the approximate military strategic equilibrium of forces

evolved between the two military coalitions as an essential peace-preserving factor, yet deem it urgently necessary to scale down this equilibrium step by step to a steadily reduced level while perfecting all political instruments and methods of safeguarding peace.

In other words: Our military doctrine pursues the goal of ending the arms race, more and more risky and costly over the long run, and to disarm. The state of a mutual destruction capability should be replaced as rapidly as possible by a stable international system for bilateral joint security. That should be a security system based on negotiated political rules and methods of interest accommodation and coping with and avoiding conflict through peaceful means, as reason demands it today and as it has already proven perfectly possible and effective.

The GDR's military doctrine fully agrees with the guideline for the military policy and strategy of the allied countries as set down in the Berlin document. And how could it be different, seeing that this document contains all the fundamental questions of military protection and peace preservation on which the Soviet Union and all other Warsaw Pact states agree, and which also are written into their military doctrines.

Apart from these theses of principle, each socialist state's military doctrine contains still a number of specific stipulations for structuring its national defense—in line with its concrete military-geographic situation, its special political conditions, economic possibilities, and national traditions.

In other words: The Warsaw Pact states' military doctrine contains all their common views and principles on the requirements for the collective military protection of peace and socialism and the future development of it. The GDR's military doctrine entails, over and above those common views, all the principles and mandatory stipulations dealing with the concrete application of the general principles and with the matters pertaining to national defense subject to our own national responsibility.

The relevant lead ideas of the GDR military doctrine are as much written into the GDR Constitution and our defense legislation—as the defense law, the conscription law, and the border law—as into pertinent international law treaties, the resolutions of the People's Chamber, the State Council, and the National Defense Council, and into the stipulations set down there and in other documents of principle about the tasks and development of specific national defense sectors. Some examples of such specifics are the following:

- the high responsibility and complicated tasks incumbent upon the GDR border troops within our national defense system for reliably foiling military provocations and maintaining order and security in the border area;

—the especially important role played by the unified system of air defense and uninterrupted air surveillance from the national border and sovereign waters to the Oder River and to the mountains to prevent surprise air attacks and tests by imperialist forces, e.g., along the border or from the air corridors to West Berlin.

It is known—the class enemy must take account of that, too—that the working class militia together with the protective and security organs constitute a guarantee for public security and order in the bezirks and kreises, for protecting enterprises and vital facilities of the infrastructure, or for smashing gangs and ruffraff that may have been infiltrated.

Socialist defense education also and paramilitary training for youth, reserve continuing training, and the use of civil defense are carried out in our country in a manner conforming to the specific political, economic, and social possibilities, to the GDR's historic traditions, and to our alliance obligations along the dividing line from NATO. As in other socialist countries in the GDR as well the total national defense system is initiated, inspired, and politically led by the Marxist-Leninist party. The responsibilities and tasks of the various elements in the leadership system, however, the role of the central and territorial organs of the socialist state and of the social organizations, differ of course from what they are in, say, the Soviet Union, Poland, or the CSSR. For that also there are appropriate stipulations in the GDR, all serving the one great purpose of the national defense of our republic: to contribute to ensuring peace among the European states and not to permit any war ever to emanate again from German soil. Therein lies the GDR's special national accountability to the peoples in Europe that became victims of fascist aggression and occupation, not last to our own people. Never will the GDR conduct a war of conquest, and no citizen may take part in belligerent activities or preparations for them that are aimed at the suppression of any people. That is the way it is laid down in our Constitution.

There Must Be No Third World War

As Erich Honecker recently expressed the will of our country's citizens, the GDR, out of respect for the principle of equality and equal security, attaches the utmost value to taking at once further steps toward radically reducing the military potentials and toward the formation of confidence, as the Warsaw Pact states are proposing it concretely. "It is important to stabilize the turn to improvements in finally making it irreversible. This all the more so as the opponents of all disarmament are far from having yielded and have, in particular, even increased their activities lately."³

Simultaneously, the general secretary of the SED Central Committee underscored several times the undiminished high responsibility of the NVA, the GDR border troops and the other protective and security organs, the working class militia, all public domains and the citizens for our national defense.

Indeed, as long as the NATO Armed Forces are enabled to conduct offensive warfare and strikes at depth against our countries, or surprise attacks with or without nuclear weapons, and continue to be prepared for it in accordance with their arms and manpower planning, our readiness for turning down any assault will be maintained. After all, it has been this readiness which helped bring about the breakthrough to the first real disarmament steps. For all that time we also need modern adequate armed forces, reliable protective and security organs, along with conscripts and extended-term volunteers, career NCO's, warrant officers, and professional officers.

A year ago, after the Berlin conference of the Political Consultative Committee, Erich Honecker told the graduates of the military academies that the officer's profession "not only is vital for safeguarding peace and the viability of our society, but also places growing demands on every individual, on his education and attitude and his moral and spiritual values. Especially at a time when what matters is to maintain the approximate military equilibrium and drop it down to as low a level as possible while ensuring our defense capability, to make progress in disarmament and in confidence-forming measures, the competence, objective judgment, and leadership capabilities of the career cadre in our armed forces and territorial and civil defense are of increasing influence."⁶

Our confidence as to the continuation of the detente process relies on that the imperturbable peace policy of the Soviet Union and the other Warsaw Pact states is buttressed by the continued consolidation of socialism—its economic efficiency and political-moral steadfastness as its military defense capability.

The demand which Erich Honecker speaking to the graduates of the military academies of 1988, expressed by saying "there must be no third world war, comrades!" is the categorical imperative of socialism, as it were, is the lesson and legacy of the sacrificial struggle by the socialist, the communists, all opponents of war and anti-Fascists against the horrendous conflagrations in our century that emanated from German soil.⁷

Keeping the socialist defense capability at the requisite level, being armed against any surprises, and always being ready to cut back the level of military capabilities while preserving bilateral security—that is a highly responsible contribution made by the members of the NVA and of all fraternal armies and of all protective and security organs in our countries to defend socialism and peace and to help the peaceful coexistence policy and a breakthrough of the new ideas in international relations. Thereby we also support the continuation of negotiations and talks between the Soviet Union and the United States, the Warsaw Pact and NATO, and the GDR and the FRG and set the stage for future peace initiatives.

Service in the socialist armed forces is service to peace. Under our social circumstances there is no armaments profit and no economic interest in war preparations. No one here toys with the ideas of revenge or border revision. We have neither ideological nor political or legal reasons for hostility, hatred, or territorial claims against other nations or states. As the military mission of the socialist armed forces, to assure the working people of a life in peace, social comfort, and well-being, derives from the meaning of socialism itself, so also the spreading of the defense idea among the people, and the education and training of people toward the defense of their socialist homeland and its accomplishments are inseparable from the general ideological, political, moral and character formation, mainly of our youth, in their family home, their school, their enterprise, and in the social organizations.

The will and ability to guard oneself, one's family, one's homeland against war are a genuine expression of the reverence for life rooted in our socialist social order, of the respect of working man, the love for peace, mutual helpfulness, solidarity, and friendship with all peoples around the world. Therefore we tolerate, neither among us in the media nor anywhere else in our intellectual-cultural life, not anywhere in educational institutions nor in public military-political activities, any sort of glorification of brutal force, war agitation, or mockery of other nations. In the socialist German state there is a penalty for expressing racial hatred and for agitating against other peoples.

As was shown again everywhere in our country on the occasion of the 50th anniversary of the Fascist anti-Semitic pogroms, the GDR state and society keep awake the memory of the horrible crimes of the Hitler Fascists and of the countless victims of those crimes—Jews and Christians, communists and Social Democrats, Germans and members of other nations. We do all we can so that never again can there be a spread of the mindlessness that prepared and produced such misdeeds.

All involved in education and training in our country—teachers, pioneer leaders or FDJ functionaries, master foremen or apprentice trainers, officers, warrant officers, or NVA NCO's, in border troops or other protective and security organs—are under the obligation to awaken and bolster defense consciousness, especially among the youth, which in fact most of our educators are doing successfully.

Sociological surveys in the NVA formations reveal a vivid interest by most of the army personnel questioned in political and historical problems. There are still unused opportunities, however, for forming a progressive image of history, which is brought out, among other things, by that those questioned attached too slight an effect to presenting the history of enterprises and troop components, local history cabinets and the FDJ study year.

On the eve of the founding of the KPD and of the 40th GDR anniversary, we must, more than ever, persuasively present the fact that the great goal of the revolutionary German workers movement, to establish a society of human dignity, peace and democracy, work and bread, and social security for all working people, has been accomplished in the GDR. What now matters is to present to all citizens in our country, especially to youth, a concrete and unalloyed picture, reflecting the intricacies of our path, so that it is a realistic picture, of the birth and growth of the GDR into a stable socialist state in the heart of Europe.

Seventy years after Karl Liebknecht proclaimed the socialist German republic, 40 years after the founding of the GDR, we have a state which makes an important contribution to European peace through its foreign, security, and military policy, which contributes, through its economic and social policy to steadily raising the working people's standard of living and to enhancing the respect and attractiveness of socialism, which to protect and defend under any conditions is both the constitutional obligation and right of all its citizens.

Footnotes

1. "KPD CC Resolution of 15 January 1931," quoted in Ernst Thaelmann, "Ausgewählte Reden und Schriften in zwei Bänden" [Selected Speeches and Essays in two volumes], Vol 2, Verlag Marxistische Blätter, Frankfurt am Main, 1977, p 69.
2. "KPD Program," "Protokoll des Gründungsparteitages der Kommunistischen Partei Deutschlands" [KPD Founding Congress Proceedings], Dietz Verlag, Berlin, 1985, p 293.
3. Ibid., p 286.
4. "Das politische Grundwissen des jungen Kommunisten" [A Young Communist's Basic Political Knowledge] Vol II, Verlag der Jugendinternationale, Vienna, 1927, p 71.
5. "Erich Honecker—Consolidating the Fraternal Alliance Remains Our Basic Concern and Internationalist Duty," NEUES DEUTSCHLAND, 29 September 1988, p 2.
6. "Erich Honecker—In the Struggle for Peace Processes Historic in Dimension Are Taking Place," Ibid., 27 October 1987, p 3.
7. "Erich Honecker—Supreme Principle: To Guard Peace and Socialism Security," Ibid., 15 September 1988, p 4.

HUNGARY

March Front Meeting Looks for Solutions, Future Direction for Country

25000062c Budapest HETI VILAGGAZDASAG
in Hungarian 12 Nov 88 p 52

[Article by Katalin Bossanyi: "Report From the Front"]

[Text] Both despair and hope, as well as the historical experience of "ducking" and the Hungarian bravado of running one's head against the wall, are to be found in Hungary's intellectual life today. At the same time, the demand for real democracy, and for building a socialist society founded on a multiparty system, is being articulated with overwhelming force. How can a transition from today's power structure to democratic pluralism be achieved without further explosions? These were the questions formulated in the debate at the New March Front's meeting last Saturday [5 Nov 88], the announced topic of which was "Search For Ways Out—Consolidation Alternatives."

To interpret where we started out from and where we wish to go, we need first of all an accurate assessment of the present situation. This was the main theme of the introductory remarks by Szilard Ujhelyi, the New March Front's president. While pointing out the similarities between the New March Front and the old one, he emphatically called attention to the need to distance ourselves not only from the various forms of Stalinism, but from the monocentric model of society's development as well. For that road has been declared a historical dead end, said Ivan Vitanyi, the organization's secretary, when expounding this idea in the keynote lecture of the debate. Therefore when consolidation alternatives are being sought, at the present meeting, the aim is not to stabilize the existing political structure, but to find the possible democratic transitions on which a new social consensus can be based. The fundamental question concerns the mode and form of transition. For once in Hungarian history, it would be good to undergo renewal in a way such that the reform efforts do not lead to symbolic or actual gallows, or to stagnation as in the latest burst of reforming zeal.

The economic boundary of restructuring may be the establishment of a modern market economy, economists Laszlo Antal and Marton Tardos argued in agreement, indicating also that the market is uniform and therefore the concept of socialist market economy does not lend itself to particular interpretation. There can be no efficient economy without recognizing the investor's interest to earn a return on his investment. A reform of ownership relations is necessary also for that reason. And this is also true of a strict monetary policy, so that it, rather than control by the power structure's bureaucracy, may make the selections necessary for restructuring. As Tardos also pointed out, recent decades have proved that, even in the economy, reforms from above cannot produce lasting success. In the present contradictory

situation, however, the demand for reform is not strong enough within the various social strata, specifically because of the mounting burdens of reform. The debate revealed that the participants were in agreement on the need for a market economy, but many of them—the members of elder generations in particular—feared that "the domination of money would replace domination by the party." This is also why they felt that the development of extreme differences in wealth ought to be avoided, and that there is need for solidarity both within and beyond our borders.

Analyzing the possibilities of a democratic transformation, political scientist Csaba Gombár called attention to the negative experience associated with the adjective "socialist" because of mistakes in past practice, and also to the society-organizing force of the ideal of equality. He pointed out that, in the present situation, the interest-representing organizations are attempting to function as parties, but this poses the danger of society's corporative and dictatorial direction and control. The alternative initiatives are bringing to the surface a variety of real interests. Presumably, however, only a multiparty system—one that is helping to achieve the desired social consensus specifically through a division of labor in exercising power—will be able to undertake the integration of interests that consolidation requires. According to Elemér Hankis, no party will relinquish power voluntarily. If we wish to proceed nevertheless in the direction of a multiparty system, then we must first find also the power elite's interest in this. In principle, a "grand coalition" would make this possible. In it the party leadership's wing that is ready to undergo renewal, a part of the state bureaucracy, and wide strata of managers and entrepreneurs could find common interests and thus form an alliance.

Weighing the temporary difficulties, political scientist Tamas Kolosi said that the present crisis simultaneously reflects the absence of a way out for the regime in general, and also the ineffectiveness of the so-called concessional reforms up to now. All this emerges in Hungary so sharply because we have gone the farthest with such reforms. The power elite's lack of interest and the magnitude of the debt crisis are hampering efforts to find a way out. That two-thirds of Hungary's population has something to lose likewise has a perpetuating effect. An essential restraining force is the fact that neither superpower has an interest in upsetting Europe's stability. Therefore the alternative arises of equipping the present dead end "with all modern conveniences." The majority of the speakers in the debate rejected this possibility and supported Kolosi's other proposal, i.e., that we try to find a way out of the dead end by strengthening civil society.

The concept for building society that political scientist Mihály Bihari outlined, and emphatically identified as a temporary one, evoked the most lively debate. In his opinion, democratic socialism rests on three pillars: institutional separation of powers, representative

democracy, and development of a constitutional state. If we want to avoid an explosion, we have to proceed gradually. This requires a limited and planned multi-party system. The limitation in this case means that, taking cognizance of the existing realities, the new parties would not question the country's system of alliances and the MSZMP's leading role. This would be reflected in the fact that the MSZMP would be guaranteed between 50 and 55 percent of the seats in Parliament. The Constitutional National Assembly, in its new composition as elected on the basis of a new Electoral Law, would in its turn elect the President of the Republic, and the new coalitional government would draft its platform based on public consensus. The speakers in the debate objected mainly to automatically giving the MSZMP between 50 and 55 percent of the seats. But they agreed on proceeding gradually, provided that this would not hamper the other social movements operating within the Constitution.

Incidentally, the most frequently recurring expressions in the debate were "mutual tolerance of views" and "responsiveness to the feelings of others." Of course, the danger of a rollback was also raised. Several speakers expressed their fear that there is not much time left, because our serious economic problems could bring a "reform dictatorship" to power. Historian Jeno Szucs voiced his "heroic pessimism" that, for a variety of reasons, we might again bungle our opportunity to undergo a democratic transformation, just as we have bungled it so often in the past.

The debate continued late into the evening. And although the meeting could not provide answers to the questions raised, it was able to convince the large audience that the New March Front's primary objective is bridge-building. Or as Rezso Nyers expressed it in his summation of the debate, the New March Front wishes to achieve that the power structure form a more realistic picture of society than the one it has had up to now; and that likewise civil society be not forced to fight a phantom power structure. For this can lead, through the clarification of political roles and values, to the creation of a democratic Hungary.

Selected Political Organizations as of 4 Nov 88 Listed

25000062b Budapest HETI VILAGGAZDASAG
in Hungarian 12 Nov 88 p 51

[Article: "A Brief Description of Hungarian Alternative Political Organizations"]

[Text] Based on information the respondents themselves supplied, we are presenting below some of the more important data on several of the proliferating autonomous societies, associations, forums, circles, social organizations and other groups. We are doing so without any claim to completeness. After all, merely the number of the cultural organizations has increased to nearly 150 in recent months and weeks, while the number of large or

small environmental committees and other organizations has risen to several hundred. The main criterion for selection was that the organization must be related to politics in some way.

Alternative Organizations (as of 4 Nov 88)

Key to numbers [repeated for each organization]:

- (1) Date, place formed
- (2) Number of members or supporters
- (3) Objective, activity
- (4) Organizational structure
- (5) Membership fee, forints

Bajcsy-Zsilinszky Friendship Society: (1) 6 Jun 86, Budapest; (2) 500; (3) To foster Bajcsy's intellectual and political legacy, and to create a coalition of the MSZMP's reform wing and of the alternative organizations; (4) Presidium, independent sections (e.g., for environmental protection); (5) contribution Ft500-1000.

Alternative Left Union (BAL): (1) autumn of 88, Budapest; (2) 300; (3) To create a society of the self-governing type and to perfect Liska's economic model, while rejecting both the Stalinist and the bourgeois path.

Danube Circle: (1) 1984, Budapest; (2) varying; (3) environmental protection, primarily protection of the Danube region (intends to become a social organization in November, with members and membership fees); (5) supports itself from donations.

Union of Young Democrats (FIDESZ): (1) 30 Mar 88, Budapest; (2) 1,600; (3) to represent the political will of its members and sections, and to have a say in political decisions (platform not yet adopted); (4) congress, council, committee.

Mihaly Karolyi Society: (1) 28 Jun 88, Budapest; (2) about 100; (3) to disseminate the lessons that can be drawn from the activity and works of Mihaly Karolyi and his wife, and to publish their works (e.g., their letters); (4) presidium, secretary; (5) Ft100 or 200 a year.

East-West Dialog Network Circle: (1) Feb 88, Budapest; (2) 20; (3) to communicate between Eastern and Western civil initiatives for the assertion of human rights, and to advocate the introduction of an alternative to military service in Hungary; (4) the Hungarian group of the East-West Dialog Network (West Berlin), which is the umbrella organization of independent peace groups.

Hungarian Democratic Forum (MDF): (1) 3 Sep 88, Lakitelek; (2) 6000 to 7000 members, 340 groups; (3) to prepare and debate alternative proposals on local and national questions and international issues; to organize volunteers and launch political drives for implementing the majority proposals (possibility of conversion into a

political party not excluded); (4) provisional governing body (a congress to be held when membership reaches 10,000); (5) Ft100, 200 a year.

Motion-Picture Employees Democratic Trade Union (MODESZ): (1) 4 Oct 88, Budapest; (2) 400; (3) a trade union independent of the SZOT [National Council of Trade Unions] to safeguard the interests of employees in the motion-picture, TV and video arts and in related professions; (4) 56-member governing body, 13-member executive committee; (5) Ft50, 80 or 120 a month.

Blue-Collar Workers for Democracy Group: (1) 25 Aug 88, God; (2) 13; (3) to organize a national congress of blue-collar workers, which will pave the way for forming a political party; (4) holds meetings on the debating-society level; (5) Ft100 a month.

Nagymaros Committee: (1) Jun 88, Budapest; (2) 19 environmental groups; (3) to review the concept of the Bos [Gabcikovo]-Nagymaros system of wiers, and to end the secrecy shrouding the construction project; (4) 5-member governing body; groups have one vote each on the committee.

4-6-0 Group: (1) 1983, Budapest; (2) 7; (3) to form a new peace society, with the participation of alternative and official organizations.

Glasnost Club National Association: (1) 29 Oct 88, Budapest; (2) 450; (3) to prevent methods and procedures that infringe on society's openness, and to publicize measures and events that violate freedom of expression; (4) general meeting of members, 9-man executive committee, territorial and professional sections; (5) Ft100, 200 a year.

Rakpart Club: (1) autumn of 1982, Budapest; (2) a circle of 1500 attendees; (3) to organize lectures and debates on historical and social-policy topics that have not been adequately explored; (5) Ft30 admission.

Republican Circle: (1) 27 Apr 88, Budapest; (2) 200; (3) a forum for debate that regularly issues position papers on timely social and political questions and cooperates with autonomous movements and initiatives; (4) weekly meetings; (5) Ft120 a month.

Circle of Liberal Young Reformers: (1) autumn of 1988, Budapest; (2) 50; (3) intends to become a Social Democratic youth forum, on a platform that calls for a radical reform of property relations and for parliamentary democracy.

Free Initiatives Network (the Network): (1) 1 May 88, Budapest; (2) 1500; (3) to gain acceptance of the principle that an opposition operating within the law is a basic institution of every democracy, and to help organize a civil society that is independent of state power; (4) a 50-member provisional council (until the general meeting of members scheduled for 13 Nov 88).

Fund for Assisting the Poor (SZETA): (1) Nov 79, Budapest; (2) 7; (3) welfare assistance from charitable cash donations, mainly to Gypsies at present (on average, Ft 10,000 distributed per month).

Historical Rehabilitation Committee: (1) spring of 1988, Budapest; (2) 40, mostly persons directly affected; (3) historical and personal rehabilitation of the victims of 1956 and of Stalinism in Hungary; (4) 5-man executive committee, three sections (historical, legal, and for tribute to the dead).

Scientific Workers Democratic Trade Union (TDDSZ): (1) 14 May 88, Budapest; (2) 2,500; (3) a trade union independent of the SZOT, to safeguard the interests of scientific workers; (4) autonomous groups, intermediate committees, a 58-member national governing body.

New March Front: (1) 1988, Budapest; (2) attendees, no members; (3) to reform the system of political institutions, to broaden the role of civic groups, and to review the history of the recent past; (4) president, secretary.

Peter Veres Society: (1) spring of 1987; (2) 1,500-2,000; (3) to cherish the memory of Peter Veres, to prepare a new edition of his works, to study the problems of the Hungarian village, and to promote thinking in terms of the people and the nation (the society is debating whether it should become a political party representing the peasantry, respectively the Hungarian village); (4) presidium, governing body, and provincial member organizations; (5) Ft100 a year.

Expelled Party Member Discusses Need for Radical Political Reform

25000062a Budapest HETI VILAGGAZDASAG
in Hungarian 12 Nov 88 pp 50, 52-53

[Interview with Mihaly Bihari, political scientist and docent of Lorand Eotvos University's School of Government and Law, by reporter Endre Babus of the HETI VILAGGAZDASAG staff; date and place of interview not given]

[Text] A large proportion of Hungarian society existed for decades mostly without any real collectives to represent their interests and political views. But in recent years, and during the past few months in particular, more and more autonomous groups have been emerging that are organized from below. Some of these groups consider themselves the heirs of earlier organizations. How would you characterize and classify the various organizations? This is the question we asked Mihaly Bihari, a political scientist and docent of Lorand Eotvos University's School of Government and Law.

[HVG] What is your opinion of society's self-organization, a vigorous process that has accelerated in recent months?

[Bihari] We may say that society is regaining consciousness, after being deprived of political openness for 40 years. Therefore it is quite understandable that the various clubs, circles, associations and movements are being formed at an exceptionally rapid rate, in contrast with the earlier stagnation. The emergence of a large number of social and political organizations has led to where even closely related groups are forming separate organizations of their own. A period of integration will probably follow this differentiation. But I think it is only natural that at first everyone prefers organizations with a more narrow base, and that coalitional tendencies will develop only later.

When analyzing the process of society's self-organization, of course, it will do no harm to glance at the past. About 50 political parties were formed in Hungary after 1945, and more than a dozen of them had memberships in the tens and even hundreds of thousands. Moreover, until late 1948 and early 1949, Hungary had 52 horizontal trade unions, and there were also 60,000 associations or other cultural, social and political organizations. In late 1948 and early 1949, an administrative bulldozer razed this diversity of organizations serving civil society. At present, for example, there are in all only 7,000 associations in operation, most of them sport and hobby clubs. The number of such organizations that undertake a role in public affairs in Hungary today may be estimated at merely a few hundred.

[HVG] In your opinion, how valid are the old categories that public awareness retains even today to label the various political aspirations? The distinction between populist and urbanist, for example? And there is also the question of the extent to which it is warranted to regard some of the new organizations as the heirs of one-time political parties.

[Bihari] In some instances it can be demonstrated that the persons behind the old political groups and the ones now being formed overlap. Szilard Ujhelyi, a one-time charter member of the March Front, is now president of the New March Front, for example. The Bela Kovacs Society of the Independent Smallholders Party obviously has something in common with the old Smallholders Party, and presumably also the Bajcsy-Zsilinszky Society is linked to that same platform. But there is no such overlapping in a significant proportion of the new organizations. Take FIDESZ [Association of Democratic Youth]. It is the political organization of an entirely new generation. The one-time NEKOSZ [National Association of People's Colleges] perhaps influences FIDESZ intellectually, but definitely not in its goals. All in all, however, a certain undeniable structural similarity does exist between the parties that emerged in 1945-48 and again in 1956, on the one hand, and the present embryonic parties, on the other. The MDF [Hungarian Democratic Forum], for example, may yet develop into a populist-oriented, left-wing socialist party that represents agrarian interests to some extent. At the same time,

however, one must realize that the Hungarian Democratic Forum does not necessarily qualify as an agrarian party. I can imagine that the MDF, a primarily intellectual but populist-oriented organization, will not suffice to represent agrarian interests comprehensively. Or as another example: In our country the radical democratic political platform had and has considerable traditions dating back as far as the beginning of this century. From Oszkar Jaszi to Imre Csecsy, the representatives of this political line have been bright intellectuals exceptionally receptive to social problems and possessing an international outlook. Thanks primarily to its erudition, this political wing was able to assume a significant role in 1918-19, respectively between 1945 and 1948. It appears that the Free Initiatives Network is being organized on such a radical platform, with a strong liberal orientation.

[HVG] What divides the last two organizations, and what could induce them to cooperate?

[Bihari] Their goals are in part similar. Both want parliamentary democracy and free enterprise. From here on, however, there remain only the differences to be catalogued. Regrettably, the mentioned populist-urbanist division exists even today, and we have been able to rise above it only in the great moments of our history. I am confident that a farsighted sense of responsibility will prevail in the end, and rapprochement will begin. Otherwise a dangerous split would develop in Hungarian public life, one that might influence unfavorably the future of entire Hungarian society.

[HVG] How would you characterize the various political and other groups that already exist or are in the process of being organized?

[Bihari] In Hungary there is just one party, and it forms a class in itself. Another class could comprise the circle of embryonic parties, we might say. The Hungarian Democratic Forum, the Free Initiatives Network, the Bajcsy-Zsilinszky Society, and the Bela Kovacs Society of the Independent Smallholders Party belong in this class. I sense a void around the Social Democratic Party for the time being, but some organizing effort is starting there, too. These embryonic parties have standpoints of their own on every issue of public interest. They harbor an aspiration to become full-fledged parties, a willingness to present definite platforms, and a sense of the need to organize their own base of support.

For the time being, I fail to recognize such a party embryo in other organizations. In the third class, therefore, I would include the organizations that presumably will cluster, like a bunch of grapes, around the partylike organizations. Everywhere in the world there are organizations formed around parties, supporting the latter but retaining their own distinctiveness on some issue.

And then there is the fourth class of organizations which espouse some public cause but show no sign of ever developing into a party or ever becoming affiliated with

one. Such organizations are, for instance, the various reform clubs and reform societies, and the organizations or bodies that preserve and cherish the lifework or intellectual legacy of some personality. These organizations do have a role to play in public life, but not as political parties.

[HVG] Who belongs to these organizations? Should we not make a distinction between a trade union group and, say, a green club?

[Bihari] This will be the next class, the organizations which explicitly refuse to become parties. These are movements organized on behalf of a single cause. The environmentalists, for instance. They do not wish to concern themselves with questions of economic or foreign policy, and they have no policy on intellectuals, education or culture. Instead, they advocate the protection of a healthy natural living environment for man, and are opposed to any pollution or destruction of the environment.

[HVG] And what about the trade unions?

[Bihari] In contrast with the public-affairs forums in a narrower sense, I would assign the trade unions to a separate class. They, too, have a single function: to safeguard the interests of employees, or at least that is what they should be doing. The TDDSZ [Scientific Workers Democratic Trade Union] or TUDOSZ, the Motion-Picture Workers Democratic Trade Union, and the democratic trade union that the teachers of handicapped children are now forming are neither parties nor societies. Instead, they wish to assume the classical trade union function of safeguarding and representing the interests of employees.

Finally, there are the large lobbies, yet another type of independent, decision-influencing quasi-organization in the sphere of political power. Perhaps we should have mentioned them earlier, because in many respects the large corporative lobbies, the employee, employer, industry, military, energy and agricultural lobbies dominate Hungary. If they were formal organizations, their influence would be calculable and they could engage in negotiations. But the large lobbies are mostly invisible and informal collectives and organizations that remain in the background. Instead of abolishing the large lobbies, they should conduct their activities openly.

Dilemma: Party Unity vs. Minority, Alternative Views

25000072b Budapest PARTELET in Hungarian
No 11, 1988 pp 83-84

[Article by Gabor Fodor, professor at the MSZMP Political College: "Addressing the Question of Platform Freedom"]

[Text] The assumption we need to proceed from is that where there is no platform freedom, there is also no living and dynamic movement with innovative abilities.

During the particularly tense conditions of the civil war, the focus of Lenin's concept of democratic centralism was on the need to enforce militarylike iron discipline within the party. Although the civil war had ended, Stalin decided to elevate this interpretation onto a higher and more comprehensive political and theoretical plane, causing Lenin's more generally applicable intentions regarding platform freedom, which earlier had been the natural state of affairs within the Bolshevik party, to be buried in years of oblivion, thereby "setting the stage" in theory as well for the bureaucratization of the party.

In our country, the first signs of decay in the Stalinist practice of democratic centralism appeared as a result of the 20th congress of the CPSU. The domestic and international conditions of the time, and the compromises that had been struck within the party, however, forced an end to platform freedom, and before it could have become institutionalized the old conditions were reestablished.

In our party it was the intellectual breakthroughs of the 27th CPSU congress that, for all practical purposes, had catapulted the issue to the top of our agenda once again. The most recent conference of the MSZMP occurred in an atmosphere characterized by a kind of limited platform freedom that had been reintroduced into the party, but it was still hindered and made unpredictable by a lack of institutionalized guarantees.

Although the conference did not formally endorse or reinforce the legality of platform freedom, current developments in the Soviet Union, sociopolitical changes here at home and shifts in the balance of power within our party taken together are creating increasingly more favorable conditions for its institutionalization.

A continuing cause of all concerns and opposition is the fear that the benefits of platform freedom which appear unquestionable today, eventually might lead to the disintegration of party unity. Specifically, many are wondering whether or not platform freedom will still enable us to prevent factionalism.

This concern is not without foundations, but in our party's present situation I consider it completely wrong to use this argument as an excuse to preserve the existing conditions. For the existing conditions are intolerable. A party building from above cannot provide guidance to a society building from below. Platform freedom without institutionalized guarantees, on the other hand, is unmanageable, for it makes it confusing to assess actual differences of opinions and hinders the realization of prevailing ideas by creating constant distrust in the legitimacy of decisions. What this simply means is that informal platforms cannot be formally reinforced or rejected.

Codification and inclusion into the party rules does not in itself guarantee institutionalized platform freedom. Platform freedom can only be made to work in a party

where the apparatus is not permitted to dominate the membership or its organizations. Hence we must urgently put an end to the hierarchically subordinate relationships that currently exist among our various apparatuses, and allow only those party bodies power of disposal over the apparatuses which the latter are destined to serve. Without this the apparatuses will continue, from the top down, to ensure that the organizations below them are denied access sometimes even to essential information, thereby preventing the possible forming of, and barring support for platforms that may not be to the liking of higher echelon party bodies.

Another essential condition of platform freedom is ensuring that the organizational structure of the party is built from below, and that, aside from extraordinary and specially justified circumstances, members of the higher-echelon bodies have no way to directly influence the personal make-up of lower level organizations.

The third condition is the continued democratization of our party forums. The codification of platform freedom will enjoy credibility only if the efforts aimed at attaining it are allowed to yield some immediate and tangible results.

Platform freedom, which has been among the best traditions of workers' movements and socialist and communist parties, could never be fully regulated in all of its details, nor can we expect this to change in the future. For it to be reinstated we must completely reject the Stalinist formula of democratic centralism, which has given ample evidence of its thoroughly antidemocratic character by disallowing platform freedom, and thus by automatically precluding and suppressing even the mere possibility of convincing the majority to espouse minority views and ideas.

Platform freedom must be clearly distinguished from factional freedom, in that, unlike the latter, it is one of the natural media and means of our party movement, one that it does not demand to be granted institutionalized forms of organization. It is not a "party within the party," or an intraparty opposition with aspirations for power, but rather a medium that allows opinions to rally around certain important issues, and thereby expedites decisions and measures that are deemed necessary to resolve those issues. It is precisely in the interest of averting the danger of factionalism that we must ensure that, when the number of party organizations associated with a given platform reaches a certain percentage, the matter in question is taken before an extraordinary city, county, or even national party conference; the decisions arrived at these conferences, without brushing individual opinions aside, will be binding for those left in the minority.

Working Group Debate Supports Alternative Views, Platforms Within Party
25000072a Budapest PARTELET in Hungarian
No 11, 1988 pp 9-82

[Article by Karoly Bodo: "Freedom of Platform Within the Party"]

[Text] After the debate report we published in our October issue, we would once again like to summarize the most important themes voiced at a recent working group debate. This time, the topic of our report is a discussion—organized on the recommendation of the working committee appointed by the CC [Central Committee] to lay the groundwork for the revision of our organizational rules—that focused on preliminary debate topics pertaining to the issue of platform freedom within the party.¹

The MSZMP's decision to address the issue of independent platforms should be considered a highly significant step, a pioneering initiative. In the past, one of the great—if not the greatest—problems hindering the internal operation of the party was its inability to provide the necessary conditions, or come up with the effective solutions needed to mold political will in a democratic fashion, which has had a profound effect on the political power and social role of the party. Raising the possibility of platform freedom goes a step beyond the prevailing concept of party democracy in that it signifies a qualitative improvement over the accepted notion that the opinions of party members need merely to be "taken into account" (which did not, and could not have resulted in significant changes in a party whose activities were organized from above), and that it proceeds from the assumption that every party member plays an equal role in shaping the political direction of our party.

This endeavor is theoretically correct and worthy of support; there is a great deal of doubt, however, regarding its feasibility. Are we really clear about our intentions; have we properly thought them through? Are the necessary conditions in place for us to view the concept of platform freedom as a realistic possibility? The basic notion that by allowing platform freedom the party will become more and more closely identified with the people is clearly a forward-looking one; however—particularly in view of today's complex and changing conditions—we must also have and offer more specific information about the nature and future role of the party. What we need to clarify, first of all, is what situation the party wants to prepare itself for, and what role it expects to play in our increasingly stronger and evolving socialist pluralism. At a time when more and more social interest groups are trying to articulate and institutionalize their views, it needs to sort out for itself what interests it wishes to integrate, and on what basis. All of this plays a crucial role in determining whether or

not the evolving platforms can have a common denominator, and whether or not the ongoing platform debates within the party will lead to a more successful and more effective policy.

It is certain, that the institution of platform freedom will require significant changes to be made. The basic assumptions of the concept include a drastic transformation of the present function and character of our apparatuses; a fundamental change in the relationship between our leading party organs and organizations, and between party leaders and the membership; a new role for the party press in providing a forum for different platforms, etc.

Changes are unavoidable, but how can we implement them? Our greatest challenge will be winning the membership over to the idea of platform freedom. There are specific indications that a considerable segment of the party membership still has not accepted the concept. There is also evidence, however, that a great many members, particularly those who like to express their political opinions, and want to take the initiative, consider it inappropriate to demand formal and mechanical party discipline, or to be expected to simply acquiesce to decisions as presented; many are also concerned about the frequent failure of party members to assert their aims. At any rate, platform freedom tends to lead to differentiation and even selectivity. There is no need to worry, however, that perhaps the internal modernization of the party will also bring with it a concomitant change in the make-up of the membership. But we must not resign ourselves to accepting losses that are the results of the passivity of the past. Those who are willing to change, but are unable to do so on their own because an incorrect past practice had caused them to lose interest in discussing politics or thinking for themselves, can receive help from class-conscious forces within the party.

The facts of today's party policy suggest that the party can indeed renew itself. The series of county, city and factory delegate meetings, the reform of our organizations and programs have all been prompted or supported by the constructive initiatives of active party members. In order to strengthen those activities that promote the modernization of party work, it is also important that we change our mechanical view and practice of party building. Rather than limiting our focus, like accountants, on the changing trends in the ratio of party members leaving and joining the party, we need to concentrate our efforts on recruiting and organizing the forces of renewal by espousing and propagating good ideas and initiatives, while at the same time showing greater tolerance for the selective effects of the party's development. In this process, it is vitally important to have party organizations that are unequivocally for modernizing our party's activities, and are openly and firmly behind that cause. This also applies to everything we do in the interest of platform freedom which should be made clear to the public while still in the refinement stage.

How could we sum up the highlights of platform freedom? First of all, by pointing out that the reason we are working so hard to implement it is because it is an essential element of effective organization in the communist party and of our present and future political needs. Our primary goal is not to take the wind out of somebody else's sails, but to get our own boat to move a little faster. The way to do this is by creating democratic conditions within a party; a system of norms and leadership style, a kind of political life and mood that do not just tolerate, but rather inspire individual opinions and stimulate people who think. One of the fundamental requirements for having such an environment is to allow anyone to raise, i.e., to express verbally or in writing his political views and critical opinions; nor should there be any restrictions designed to keep people from taking a collective stand. Without the freedom to take a stand there can be no platform freedom! The prohibition on exerting pressure should be made a part of theory as well as practice; only opinions and arguments should be allowed to apply "pressure." In this sense, platform freedom is indeed a democratic tool, or if you like, a policy-shaping technique, that must be kept completely outside of the realm of party discipline matters. No resolution can be allowed to force anyone to change his views; only if the person is convinced that his position is incorrect should he be expected to reconsider.

Today there is hardly a political leader or political scientist who, even for his own "home use," would have ready-made answers to every important aspect of this subject. There is often disagreement even about what we should mean by platform. It is more or less clear to everyone that a platform represents some kind of a community of opinions, but how it comes about, or whether it is organized from within or without is already subject to disagreement; not to mention the platform's content which has been widely debated. Here are some of the interpretations: the platform is a community of opinions, organized around issues of political importance; the platform is a community of opinions that offers political alternatives; the platform is a conceptual relationship with the party's program, etc. The individual definitions also reflect differences of perception, but in our situation it is not so much the definition that matters. What is important is for us to be able to tolerate and accept the existence of alternate political opinions. Once we are able to do that, we will have taken the most crucial step. Only from experience will we be able to learn what it takes for party democracy to function effectively.

These definition attempts, of course, do have one aspect that is worth noting. Namely, the fact that they are often the basis from which people proceed in trying to regulate platform changes. This is not the ideal way to start experimenting. Until we can consistently reconcile our need for platform freedom with our existing principles of party organization and guidance, our regulatory efforts will be inevitably one-sided and prematurely conceived, and there is even the danger that they may lead to

bureaucratic solutions. Hence it is important to stress that the way to further the cause of platform freedom is not by displaying "speculative brilliance" in constructing a new model, but by demonstrating theoretical and political courage to critically rethink the old model.

One important problem area that needs to be examined is the question of democratic centralism. The least critical observation hear so far concerning this matter is that the principle needs to be revised, or at least updated. There are many, however, who feel that we need even more thorough and consistent criticism, arguing that democratic centralism no longer suits today's requirements, and is inconsistent with the principle of platform freedom. This does not mean that we should, or that we could, deny the importance of central guidance. No political party, and particularly not the communist party, can function effectively without central guidance. Our leading organizations, however, can no longer assume on the basis of the old logic of guidance that the party membership will be content with merely commenting on the draft decisions prepared by their respective apparatuses, and that after the decision has been made it will simply implement its provisions. Resolutions pertaining to the party and other political decisions should evolve increasingly as part of processes that inherently involve the party as a whole. A more befitting description of this kind of centralism would be organic, rather than democratic centralism.

Let us admit that the reason why we are often afraid to confront this question is because the principle of democratic centralism had been conceived by Lenin. Yet we forget that Lenin himself had courageously abandoned Marx's theory of socialism via world revolution, for he recognized that this theoretical precondition, which had thoroughly permeated the entire ideology and the policies of the social democratic parties of the time, had become antiquated. Lenin did not shy away from offering detailed analyses of specific situations, or from drawing new conclusions, and what he did was revolutionary. There is no reason to believe that he would oppose similar actions now.

Another basic question is how platform freedom can be reconciled with the need for party unity. In theory, the point can be made that monolithic unity is not the only kind there is; in fact, that kind of unity would best be described as homogeneity. Genuine unity must always stem from diversity. Such unity is qualitatively superior to the monolithic kind. Turning to specific practical interrelationships, the cornerstone of the kind of unity that is associated with platform freedom is the party's relationship with those in the minority. If the opinions of the minority are not treated with utmost respect, if they are not allowed to assert themselves and to be represented, then we cannot talk about platform freedom. Merely tolerating the existence of minority opinions, however, is not the same as encouraging them to be expressed. As every platform, such views must also be

allowed a chance to be heard, otherwise their representation becomes meaningless. Just as it is possible for a community of opinions without formal powers to be correct in a given situation, it is also possible for an organization of authority to be in the wrong, in other words, to be representing a position on a certain issue which is unacceptable. What matters in a democratically functioning party is not whose will is going to prevail, but that we have the political will to command action which is as close to being politically ideal as possible. Should platform freedom become a reality, the only way our party will be able to preserve the stability and dynamism of its decisionmaking role is by adopting the broadest possible interpretation of the freedom to criticize—in other words, by promoting the assertion of the motives and impulses of genuine political action—and by adhering to the most precise and most specific definition of united action and of the party discipline it requires.

A party of diversity and individuality in its approach to debates and alternate views, and of unity and accord in taking specific action—this is how modern party unity could best be defined. Thinking in terms of the old categories, of course, one might ask: can unity of action be insured in any other manner than on the basis of democratic centralism? Our answer to this is that united action can also be mustered democratically. Not necessarily in every instance that requires collective action, but even in exceptional cases adherence to the party norms and party morale can ensure the necessary unity.

There are several parties of great traditions—admittedly, mostly bourgeois parties—whose supporting camps have adhered to firm political norms even without written rules or special regulations; norms that have been accepted as the moral standards of the party. However, we need not look that far for examples: the written and unwritten system of norms of the communist parties are also well established, and most of their members are well aware of them. Often, however, we fail to adhere to those norms, both as party members and party organizations. The operational and procedural principles laid down in the party rules are frequently violated, and the constitutionality of party life is often ignored. Experience suggests that it has been the weaknesses of democracy themselves, the inconsistencies between words and actions, the lack of controls, restrictions and self-restrictions on power that have caused our norms and rules to lose their meaning, and thus to be ignored. No matter how strict the norms, and how democratic the functioning of the party may be, of course, ingrained differences of opinion will lessen the party's effectiveness. In the case of protracted debates there may indeed be a need for operative intervention, but even then without resorting to administrative means. The social democratic parties are a good example that a democratically elected party court can play an effective role in such situations. This right could even be exercised by councils of congressional delegates elected for a given cycle.

In the competition and assessment of platforms publicity plays an important role. Wide publicity is one—if not the most important—guarantee of the success of platform freedom. It lessens personal dependence and controls all forms of power. If publicity is violated in any way, platform freedom becomes an illusion. One of the arguments used to explain attempts to impose restrictions on publicity is that it may cause party matters to “slip out” of the realm of the party. This kind of arguments, however, leave too much room for subjective interpretation, often causing personal matters to be classified as “party affairs.” In the age of mass communications it is impossible anyway to use the same arguments as 50 years ago. To a great extent it was the advent of mass communications itself that has turned every political issue into a matter of public concern, which is why party affairs also cannot be dealt with in isolation from public opinion. This holds particularly true for countries with a one-party system. What platform freedom tolerates perhaps the least is outmoded thinking and practice with respect to publicity. It also renders party control over the press passe, and at the same time makes it essential that we ensure the independence and accountability of our various papers.

The source of the most intense debates in connection with platform freedom is the potential danger of factionalism. There are some who do not believe that there can be platform freedom without the formation of factions, while others consider it important to keep the two completely separate. Some base their opinions on the fact that the leading parties of the socialist countries have always opposed factionalism, while others argue that in countries with multiparty systems there have been examples of factions functioning side by side in a consolidated manner. In any case, we must expect that the emerging platform organizations will be of varying degrees of internal cohesion and strength, and that within the framework of our one-party system they may increase the danger of disintegration, and may even raise the specter of a split within the party. We must, and indeed we can, protect the party from this danger, but not with static and inflexible rules but rather by offering practical solutions that are applicable to the given situation. Here again the earlier mentioned party courts and firm internal norms may play an important role. The democratic operation of the party, and our relentless vigilance over it, however, may help to prevent arguments from growing intense and acrimonious, and inhibit opinions from becoming polarized and divided into opposing fronts.

Whether it is the seemingly easier and simpler aspects of platform freedom we are examining, or some of its more difficult and sensitive dimensions, we are encountering issues that are new, or—after having been dormant for a lengthy historical period—appear new to the MSZMP. There are more and more among us who in the interest of broadening the scope of our democracy are making recommendations that often may appear unusual and astounding. Still others tend to allow themselves to be

overtaken by emotions and react impetuously, while some continue to allow prejudice and one-sidedness to dominate their judgement. One might think that occasionally it is still unavoidable to make incorrect and hastily conceived decisions, as time will correct them anyway. Today's situation, however, does not allow much room for delays. We must consciously promote all positive and forward-looking changes, but must also give those that are still evolving a chance to take form. Within the party, too, we must be patient when dealing with different aspirations, or with the attempts of party organizations and individual party members to convince us that “their model” is the one to be followed for developing the most suitable organizational framework and the best political forms. Spontaneity and conscious construction, initiatives from below and the management of change from above must be in close harmony, always strengthening efforts that aim beyond the fulfillment of subjective wishes and the institution of illusionary solutions, at furthering the progress of our country and at achieving results that are in accordance with the standards of our times.

Footnote

1. The debate held on 27 September 1988, at the Party and Mass Organizations Department of the Central Committee, had been organized for politicians, party activists, university instructors, and elected party officials.

POLAND

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No 52, 24 Dec 88 p 2

[Excerpts]

National News

[Passage omitted] Experimental organizational solutions and methods of operation in the party are being introduced in the Slupsk, Legnica, and Koszalin Voivodships. The resolution on this matter adopted by the Politburo of the PZPR Central Committee also calls for an evaluation of the results of the experiment every six months.

Studies of a peat preparation by Prof Stanislaw Tolpa, being conducted in 16 research centers by nearly 200 specialists, have shown that the preparation is safe, positively affects the immunological system of the organism, and halts the growth of human cancer cells grown in vitro, while the same concentration of the preparation does not affect the multiplication of normal cells. This information was given to a reporter for TRYBUNA LUDU by Prof A. Danysz, director of the Pharmaceutical Institute in Warsaw, who also pointed out that

unfortunately the production technology for the preparation does not ensure the replicability of its chemical constituents. In Wroclaw, a scholarly symposium on the preparation was held.

Initial data from the June agricultural census on the subject of land: we have 18.7 million hectares of agricultural land (in 1988, there was a decline of 10,000 to 12,000 hectares, which was, however, smaller than in previous years). Per capita, there is a little less than one-half hectare. The average size of a family farm is 6 hectares. It has increased; in 1970, it was 5.1 hectares. More than 46 percent of the total agricultural land consists of farms of more than 10 hectares; 23.4 percent of the land belongs to socialized farms (state and cooperative).

Proposed changes in the civil code have appeared in the Sejm. In particular, there is a proposal to change article 128 of the code. It currently reads: "Socialist, nationwide (state) property is vested in the indivisible state," and it would be changed to "Ownership and other proprietary interests constituting nationwide property are vested in the State Treasury or in some other state legal person." [passage omitted]

The monetary income of the population increased between November 1987 and November 1988 by nearly 100 percent. The average monthly wage in the five sectors of the national economy increased during this time by 114.3 percent and 74,100 zloty in November 1988.

The top ten state farms with the highest levels of agricultural production sold in 1987 (according to ZARZADZANIE no 11): Igloopol Debica, the Swiebodzin farm, the Lyna farm Nidzica, the Redlo farm, the Strzelin farm, the Warmia farm Dobre Miasto, the Powisle farm Czernin, the Plant and Seed Cultivation Enterprise Koszalin, the Nogat farm Malbork, the Blubczyce farm (the last one achieved the highest financial accumulation). [passage omitted]

The equalization tax for 1988 will be collected from individuals whose incomes, after excluding components exempt from taxation, exceeded 1.5 million zloty. The tax assessed will also be reduced by 66,000 zloty. [passage omitted]

LOT Air Tours is promoting trips abroad under the slogan, A Little Warmth During the Winter!!! A trip to Australia: 17 February to 28 March 1989 costs \$1,956 plus 652,000 zloty. Using a conservative calculation at a black-market rate, about 7 million zloty.

Who's Who News. The Council of State has named Andrzej Jedynak (age 56) to the position of deputy president of the Supreme Chamber of Control; he is a former deputy premier and former ambassador to Austria and Czechoslovakia, and a member of the PZPR. Janusz Lewandowski (age 57), a professional diplomat

and recently deputy director of the Foreign Section of the PZPR Central Committee, has been named Polish ambassador to Greece. Kazimierz Cypryniak (age 54), currently a secretary of the PZPR Central Committee, has been elected (71 votes out of 115 votes) chairman of the PZPR Central Control and Review Commission. His predecessor, Wlodzimierz Mokrzyszczak, has transferred to diplomatic service (ambassador to Czechoslovakia). [passage omitted]

On the Left

[Passage omitted] [Question] The Prague authorities have permitted the first independent demonstration by a group recognized by the party as antisocialist. How do you explain this change? Are these groups no longer considered a threat to the state? Jan Fojtik (age 61), one of the leaders of the CPCZ, responded to this question by the UPI correspondent: [Answer] Yes, these groups met at one of the Prague squares for the first time and manifested their existence. What happened is not so much a consequence of a change in our thinking as a change in the circumstances. Decisions must be made in relation to the situation. If these forces started to engage in activities that threaten our state, I think that society would not tolerate our understanding. Our further reactions will depend on the actions of these groups. We will not accept anything that can threaten the stability of the political and social system in Czechoslovakia. Fortunately, these forces, of which we are speaking do not have a broad social base. No one here thinks they are representatives of society.

Vasil Bilak (age 71), longtime secretary of the CPCZ Central Committee, has resigned from his political positions and retired. From the AFP commentary: "One of the most controversial figures in Czechoslovakian politics is disappearing from the stage. A politician embodying the 'normalization' that occurred after the choking off of the Prague Spring has departed."

From comments by A. Hagedus (age 75), former premier of Hungary (1955-56), removed from the party in 1973 for revisionism: "The most important bodies of pluralist socialism will probably not be the political parties, but organizations of a political nature. It is essential that it be possible to form Catholic organizations, ecumenical christian organizations, social democratic organizations, or environmental protection organizations, which can nominate their candidates for elections to the people's councils and parliament. I think, however, that it would not be good if these organizations started to struggle for authority. In a certain sense, this has already begun, but this can only lead to anarchy."

This year in Romania, more than 30 million tons of grain have already been harvested, which should, in the opinion of officials, guarantee good market supplies of food articles and essential resources for farms. Agriculture will receive more than 2.8 million tons of mineral

fertilizers, which will ensure a level of 276.7 kg of active substances per 1 hectare of cultivated lands or 30 tons per hectare over the course of four or five years. [passage omitted]

Prior to the year 2000, the USSR will build a nuclear power plant with a high-temperature reactor and will build two more such plants in the next century. The first is planned for a 1,000 megawatt plant on the Volga and will be built with the cooperation of West German firms. Construction costs for the plant are estimated at 100 million DM; development of the plans will take two years, and construction, five years.

Beginning next year, Soviet citizens will be able to purchase the apartments in which they are living. The first payment will equal 50 percent of the value of the apartment; the others will be spread over 10 years. The price of a 2-room apartment will probably be about 8,000 to 10,000 rubles.

The Budapest weekly REFORM: It is impossible to create a new national understanding without an objective analysis of the critical questions in the history of Hungary such as the events of 1956.

Milosz Jakesz in an interview for LE FIGARO: "We treat Alexander Dubcek as a private person. Personally, I think that he plays no important role in politics now. Today the times have changed from 20 years ago. . . . The differences between the transformation of the USSR and the events in Czechoslovakia during the crisis lies in the fact that in the CSSR in 1968 the point was not to creatively transform, but to dismantle, socialism." "Forman comes to Czechoslovakia, for example, "Amadeus." With Kundera the situation is different. He is not a bad writer, but he has taken a peculiar position with respect to socialism. He decided that he will live in the West. We have other talents, but since these talented creators do not come out against socialism, they have not received appropriate recognition in the West. "In response to a question to what he would do if someone from his family emigrated in 1968 or later from the CSSR: "I would resign my position."

Opinions

Mieczyslaw Czerniawski, first secretary of the Lomza PZPR Voivodship Committee:

[Question] Will there be changes in the political map of the country? Will new parties be formed?

[Answer] Reality develops more rapidly than theory. Thus, I cannot exclude such changes, although I think that today the objective conditions for them do not exist. The existing parties are capable of completely representing the interests of all existing social groups, if—I am speaking of the PZPR—we make deep reforms within the party.

(Interviewed by Anatol Wakuluk, GAZETA WSPOLCZESNA 9 December 1988)

Prof Dr Mariusz Gulczynski, lawyer:

[Question] Do you think that we are now dealing with a qualitatively different political system, or rather with new faces in the government and refurbished slogans?

[Answer] With a new philosophy of governing and with access by more pragmatic forces to the government. This change has not been made yet, unfortunately, in the party. I think, however, that the Third All-Polish Ideological and Theoretical Conference of Delegates will be the site of these changes. If not, the party will become a brake on further transformations, instead of leading them.

(Interviewed by Teresa Kwasniewska, GAZETA LUBUSKA 9 December 1988)

Dr Piotr Winczorek of the Law and Administration Department of Warsaw University, SD activist:

[Answer] First of all, what coalition means has not been defined completely. To be sure, this word has been used frequently since 1980, but in essence, this name is a new suit put on an older, fairly mature boy, who was called the 3-party alliance. The name is to refurbish the essence of things. Such a magic maneuver—if we call something by a different name, then it becomes something different—rarely succeeds. I do not claim that nothing has changed between 1980 and today, but the situation has not changed enough to be able to call it a coalition or something else without any doubts. First, there must be changes in the material itself, then a change in the name.

In order to answer the question, "what is a coalition?" it is necessary to examine what it is in countries where it takes on its full form. There is no coalition wherever one of the partners has no freedom of movement. I would compare it to a child's bicycle with two training wheels, to prevent it from turning over when going around corners.

(Interviewed by Barbara Dybkowska, ILUSTROWANY KURIER POLSKI 19-20 November 1988)

The opinions and views cited in this section do not always agree with those of the editors.

Polish Weekly Comments on GDR Difficulties With Glasnost

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No 3, 21 Jan 89 pp 1, 13

[Article by Adam Krzeminski: "Five Years Late or 10 Years Ahead?" under the rubric "The GDR"]

[Text] The GDR mystifies public opinion in the East and in the West. It is scoring diplomatic successes from the German Federal Republic to the United States. At the

same time it was recently in the headlines of nearly the entire European press when Berlin banned the distribution of the Soviet periodical SPUTNIK in the GDR, which was linked to the famous comment by the chief ideologist of the SED [German Unity Party] Kurt Hager in 1987 to the effect that no one is obliged to "put up a new wallpaper in his home" just in order to copy his neighbor. At the same time, another GDR ideologist, Otto Reinhold, declared in December that the GDR is ahead of the Soviet Union in its reforms by at least 10 years. How then? Five years behind or 10 years ahead? Neither. It is simply that the picture is more complex and ambiguous than it might seem.

There may be no new wallpaper in the GDR, but traces of "new thinking" are explicit in its ideology, cultural life, and press, let alone in the church and in the more or less independent circles as well as in legislation. Let us try to trace discrete motifs and link them together.

In Dubio Pro Reo

These traces should be explored both in the GDR press and in comments made by eminent activists and academics to the Western press. "From time to time we need a revolution," the Social Democratic weekly VORWAERTS was told last June by professor Juergen Kuczynski, the influential GDR economist and historian, on presenting to the West German reader a long list of flaws of the GDR society: shortages in the economy, technical backwardness compared with the West, absence of competition between scientists and enterprises, restrictions in domestic policy, and smugness on the part of some of the party apparat, which claims that the GDR is "the best-functioning socialist country." Prof Kuczynski also admits that relics of Stalinism survive in the GDR. "Of course, much still remains of Stalinist times among us, too. This has doubtless influenced my own psyche as well. After all, we have been so loyal and nice." Among positive changes Prof Kuczynski distinguishes "social security, an educated working class, easier trips to the West." For the future he expects greater rapprochement with the Soviet Union, "a different attitude toward mistakes," more criticism and disputes, and, in the more distant future "the reunification of a socialist Germany."

A kind of rejoinder to this interview was the one given by Otto Reinhold, also to VORWAERTS, which is authoritative in the sense that Professor Reinhold is director of the Academy of Social Sciences under the SED and was the party's chief negotiator in drafting the joint SED-SPD 1987 document initiating a new stage in the relations between the communists of the GDR and the Social Democrats of the FRG, based on the new "culture of disputes."

Reinhold had besides to defend in the GDR the theses of that document against charges by dogmatists that it represents a sell-out of principles. So now, on the pages of VORWAERTS, he has also rebutted the charge that

the GDR is not experiencing any internal evolution. He argues that the dialogue between the authorities and the more or less informal groupings in the GDR was "markedly strengthened in recent years." At the same time he rejects suggestions that the GDR too should settle its accounts with Stalinism: "We had no Stalin in our country," and therefore, "I cannot conceive of any need for settling accounts with history in the GDR every other day." On the other hand, the performance of party echelons should be improved in order to oppose pressures from the West which is "construing [the existence of] an abyss between the SED and the CPSU [Communist Party of the Soviet Union]." Nevertheless, even earlier, during elections to leadership posts, there had already occurred a "battle for votes" within the SED, and hence the party experienced a renewal during every successive round of elections.

Half a year later, in an interview granted to the GDR periodical HORIZONT, Otto Reinhold tried to dot the i by claiming that the West, in accusing the SED of complacency, ossification, and unwillingness to reform, is trying to create "a new picture of the enemy." Yet what is happening in the GDR is not only consonant with the All-Union CPSU Conference; what is more, essentially, Reinhold claims, reforms in the GDR had been initiated as early as at the beginning of the 1970's when Erich Honecker became the head of the party. At the same time, Reinhold admits that spirited discussion of changes in the socialist countries and in the GDR is under way.

One does not have to look far afield in order to find GDR ideologists holding more skeptical views than Reinhold. In the July issue of DEUTSCHE ZEITSCHRIFT FÜR PHILOSOPHIE Alfred Kosing stated bluntly, "It would be a mistake, one pregnant in consequences, to suppose that the socialist society of the GDR has already accomplished necessary changes and all that is needed is for the other socialist countries to cope with them." The same issue also refers to the need to commence "comparative studies of socialism," which besides is already happening, considering that, for example, BEITRAEGE ZUR GESCHICHTE DER ARBEITERBEWEGUNG (No 2, 1988) published a rather stereotyped review of the sociology of the Polish working class. Thus perhaps in time the processes occurring in our country will cease to be viewed in the GDR in terms of bare propaganda and news briefs.

Experts in the GDR engage in lively discussion of the changes needed. Lawyers, for example, while admitting that "the elementary rules and legal safeguards of an equitable legal protection are constitutionally and legislatively guaranteed" in their country, at the same time point out that the principle of "in dubio pro reo," or "innocent until proved guilty" or "given the benefit of doubt," should be applied consistently—meaning that in practice this principle is being ignored. In addition, the introduction of major legal reforms has been discussed,

along with the establishment of an administrative tribunal which would serve "to harmonize with the public interest in a more cultural manner the decisions and operating modes of administrative bodies, including safeguards for civil rights" (STAAT UND RECHT, No 7, 1988). As of mid-1989, GDR citizens who are denied passports will have the right to appeal the denial to a court of law, which, combined with the social pressure for trips to the West and the gradual opening of the German-German border, is of tremendous and not only psychological importance to GDR inhabitants. Incidentally, there is not in the GDR any national ombudsman but, if things go on as they do, that country too will have its own Ewa Letowska [the Polish "citizens rights" spokeswoman].

Between Hitler and Stalin

Throughout the Eastern Bloc the reforms have been based not only on the need to modernize and democratize structures of the state and the society but also on the changes in the public awareness as the stage becomes crowded with new generations lacking wartime and postwar preconceptions and developing their own stance toward the past and the future. Hence the immense importance of all kinds of discussion of recent history and cultural legacy—in the GDR, too, despite the incident with SPUTNIK.

This is a more complex issue than might seem at first glance, and its implications extend beyond some single periodical article or commentary, being traceable to the tangled history of German-Soviet relations as far back, properly, speaking, as the [Treaty of] Rapallo and the training of Reichswehr officers in Soviet Russia, as well as the history of the worker movement in Germany and its break-up after World War I into three great camps—those of the Social Democrats, the Communists, and the Nazis. This tangled knot will not be untied so easily by just one more or less superficial article in SPUTNIK, nor by some more or less official commentary in a GDR daily newspaper, nor even by more than one official textbook of history.

The fundamental dilemma is how to evaluate the historical role of German communists in the 1920's, 1930's, and 1940's—of members of a mighty party that was no monolith, that strived toward a revolution but at the same time failed to turn back from Germany and Europe the disaster represented by Hitler and national socialism.

How to assess the accomplishments and mistakes of those individuals, who were massacred by Nazi street gangs, who after 30 January 1933 died in SA dungeons and in concentration camps, who during the Third Reich engaged in active resistance or emigrated, who survived Stalin's purges in the USSR, who witnessed the disappearance of their comrades from Hotel Lux in Moscow, who survived the trauma of the Ribbentrop-Molotov Pact and the treaty of "Common Boundary and Friendship" with the Third Reich, and who subsequently, often

while wearing Soviet uniforms, solicited via megaphone soldiers of the Wehrmacht to cross over to the other side of the frontline, and who afterward rode on the tanks of the victors into the Soviet zone of occupation in order to rebuild that devastated piece of German land and subsequently to expand it into a frontline state in a divided Europe and successfully assure it of international recognition and success?

That is one class of questions, but there also is another: how to assess German communists without glossing over or trivializing the fact that their mighty party had at its 12th Congress in 1929 declared the Social Democrats to be the "main enemy," and that as late as October 1932 Ernst Thaelmann referred to the "validity of Stalin's thesis" that "fascism and social fascism are twins, not opponents [as published]?" How to assess the fact that in 1931 the KPD [German Communist Party] tried together with the NSDAP to overthrow the Social Democratic government in Berlin and Walter Ulbricht spoke on the same podium with Joseph Goebbels?

The 36 theses of the SED Central Committee published in June in NEUES DEUTSCHLAND on the occasion of the 70th anniversary of the KPD state explicitly that "the thesis of social fascism, propagated in the late 1920's throughout the communist movement, was from the outset fallacious." In addition, 10 names of communists murdered by Stalin are mentioned. To the Germans this was hardly an easy step. Thus, while in the GDR Kurt Hager, the chief ideologist of the SED Central Committee, states that there is no reason for exploring any "blank spots," because history should "imbue strength and optimism," in the FRG the West German communist Guenther Judick declared bluntly, in an interview granted to UNSERE ZEIT (March 5, 1988), "In history, basically, there should be no blank spots. History cannot be written in black and white colors alone, focusing only on what right now appears favorable. This distinguishes our present-day approach to history from many presentations of Stalinist times when party-mindedness was interpreted as horse blinders shutting out of sight anything that did not fit our picture."

The caution displayed by SED ideologists can be interpreted in only one way: nothing should be allowed to impair the identity of this German state, which after all is something new on the map of Europe and bases its legitimacy on not only the victory of the anti-Hitler coalition over the Third Reich but also on the leftist German traditions which, per fas et nefas, also happened to be influenced by Stalinism in that part of Europe.

We all here in Central-Eastern Europe are, willy-nilly, illegitimate children of Hitler and Stalin. Had not Hitler demolished the order in Europe, Stalin would not have left such a strong imprint on our countries, and vice versa, had not Stalin pursued the policy he had pursued

in the 1930's, Germany's history also would have followed a different course. Nevertheless, we can understand the apprehensions of SED ideologists about throwing out the baby with the bathwater owing to a too sudden destalinization, about lessening Hitler's crimes by unmasking Stalin. When the Soviet artist Leonid Korchagin painted a triptych with the center occupied by a reproduction of Stalin's bust topping a mountain of skulls, and with Hitler depicted atop a smaller mountain of skulls in the background, this is simply meant to say that it is a matter for the Russians themselves to deal with Stalinism. But when shown to Germans, this triptych may prompt them to feel relieved by thinking that "they themselves say that their [Stalin] was worse than our [Hitler]." Here the psychological factor cannot be overlooked. Such also was the argument of a certain GDR professor who said, "Let us in the GDR not hurry to explore the 'blank spots,' because brown ghosts may emerge from them." And the reality shows that this saying cannot be ignored.

Limits of Boldness

It would besides be wrong to claim that the GDR shrinks from facing the problem of Stalinism and moral co-responsibility for tacit approval of what had happened in those times. However, discussion of this subject should be followed up not in dailies or weeklies but in solid literary periodicals. Consider that two successive issues of the bimonthly SINN UND FORM contained a series of pertinent articles. In one of them, editor in chief of NEUE DEUTSCHE LITERATUR Guenther Deicke reminisces about his writings of the 1950's, among others, in a special issue devoted to Stalin's death: "Nowadays, following the 20th Congress, and especially following the corrections of present-day historiography consonant with Gorbachev's glasnost program, that Special Issue is embarrassing to read. To be sure, the sincerity of most of the articles it contains cannot be doubted, and as late as after the 20th Congress I heard many average people say, 'Yes, but it was he who liberated us from fascism, and this fact remains!' But even then some of the authors of the epitaphs already had some knowledge of the fatal role played by Stalin as an autocrat (like the tsars BEFORE Lenin) surrounded by a camarilla making it easy for anyone to abuse his power.... I recall a telephone conversation between Bredl and Becher, who sarcastically asked, 'Did you read the newspaper? Well then, have not you purged your conscience yet?' and his evil laughter. I also recall Hermlin's sonnet, published in SONNTAG, in which he tried to balance on the scales of history the merits and crimes of Stalin as a person. (That poem was never again allowed to be published, although it is a valuable document of some literary value.)"

This may be not much in comparison with the articles in the Soviet press, but the subsequent issue of SINN UND FORM contained an article which is going to produce a longlasting effect, namely, the confession of the GDR Minister of Culture and expressionist poet Johannes R.

Becher. Perhaps some readers of POLITYKA recall a 1982 discussion which we found very upsetting, and which among other things concerned Becher's credibility. In 1956 Becher wrote an article settling his account with Stalin, but in January 1957 he withdrew it from print because it no longer fit Ulbricht's "Thaw," according to which Stalinism in the GDR was surmounted even before it had begun at all. Below are passages from that article, published for the first time after 30 years:

"I no longer have to keep silent. I no longer have to feel that by keeping silent I also am culpable. One needs only to find the language to express adequately the horror for which I also share responsibility by having kept silent. I cannot excuse myself by claiming that the silence was 'imposed' on me, because I did not seriously try to break that silence. It was only after the earth shook and the tombs opened, that I took the side of those who, accusing, rose from the abyss." This is the intolerable pathos of an incorrigible expressionist who calls himself a coward: "I worshipped that man like no one else among the living. This worship influenced my poetry, and many of my works reveal what I loved and adored in him and under what great influence of that gigantic figure I lived. It would be worse than insincere, it would be simply dishonest, and cowardly as well, if I did not admit that I used to consider that man as one of the geniuses of mankind. This also can be understood because he liberated us from that devious enemy who called himself a German but who embodied the entire misfortune of Germany. But I must admit that, to the extent to which I had worshipped and loved Stalin, I was also horror-struck by what I had to experience in the Soviet Union. I have not the right to claim that I was unaware of it all."

The GDR minister of state failed to combine love and revulsion into a unified and straight stance. Love remained external and revulsion was hidden so deeply that only a psychoanalyst could extract it from the subconscious; this is a syndrome of the political-moral schizophrenia experienced by Stalinists. It could be recognized from that "evil laughter" which Guenther Deicke had perceived during the conversation between Bredl and Becher. Besides, Becher himself somewhat later describes that schizophrenia, that nonchalant ease in leaping across "one of the greatest tragedies in the history of mankind." He accuses himself, "I did not move a finger to hasten the advent of the times when truth [could be told]," and he reproaches himself for not having contributed to the Thaw and for the facility with which he justified everything by referring to abstruse truths beyond good and evil. Please bear in mind this Nietzschean turn of the phrase, because Nietzsche appears on the horizon in the GDR.

As can be seen from the above, the GDR is a country torn by the same emotions and tensions as all the other socialist countries, and not everything should be viewed through the prism of the banning of the dissemination of [the film] "Repentance" and [the book] "Children of the Arbat" in the GDR, the more so considering that the

chairman of the writers' union, Hermann Kant, and other writers as well have been publicly distancing themselves from such bans, and in the churches of the two principal religious denominations in the GDR both the faithful and the clergy pray, "O Lord, help to insure that the process of renewal in our country be continued."

The Clash About Nietzsche

Contrary to appearances, the dispute about Stalinism runs like a red thread through all the principal cultural polemics of last year in the GDR. When in the fall of 1987 Wolfgang Harich criticized with unprecedented bluntness the publication of Nietzsche's "Ecce Homo" in a small edition, this drew rejoinders from the most influential writers, such as Hermann Kant and Stefan Hermlin, who viewed Harich's furious attack as an attempt to restore the worst kind of dogmatism and administrative protection of "pure science." Consider below the sides in this dispute:

Wolfgang Harich was in the 1950's the "wunderkind" of GDR Marxist philosophy. In 1956 he became involved with revisionists and was sentenced to a long term of imprisonment for participating in an "antistate conspiracy." He remained in prison until practically the end of his sentence and left it completely changed. In the 1970's he made himself known by his attacks against all kinds of GDR liberals, attacks that were as brilliant as they were aggressive.

Hermann Kant is sometimes called the "emperor of crisis" within the writers' union. In the late 1970's he defended the expulsion from that union of several writers who had published their works in the West without permission, but nowadays he says openly, "This must not obligate us forever. In my opinion, we did not make a decision that would divide us forever." At the same time, he criticized the simplemindedness of the GDR reviewers of "Repentance": "If issues as complex as Stalin, tragedy, and repentance, are viewed in such an oversimplified manner, I must say that this is not how I view them."

Stefan Hermlin, on the other hand, is a special case. He spent the war in France, in the resistance movement, and in postwar times he became one of the most gifted poets, but in the 1950's he ceased to write poetry, although he still paid a pathetic homage to Stalin. Later, he became one of the most astonishing "gray eminences" of GDR cultural life, of an importance incommensurate with his rather limited literary output. He acted as a mentor to young poets, and to this day he has close personal relations with Erich Honecker. In 1976 he initiated the protest of intellectuals against depriving Wolf Biermann, the oppositionist singer, of GDR citizenship. At times he publishes elegant and precise essays and irritates dogmatists with comments such as, "I am a bourgeois writer," "There exists only one German culture," etc., but at the same time he is a mediator between the authorities and critically disposed writers.

It is precisely through the prism of such individuals and their backgrounds and stances that the dispute about publishing or not publishing Nietzsche in the GDR should be viewed. For while Harich believes that publishing Nietzsche undermines the foundations of Marxist cultural policy, which should not be nullified by "excessively zealous measures of the Stalin era" (such being the euphemisms by means of which mass murders can be glossed over even now!), Hermlin calls upon fellow writers to regard Harich's article as a signal that Stalinist reaction is still possible. Whereupon he received from the ex-"conspirator" an arrogant letter saying, "In the future kindly spare me your advice on cultural policy, Mr Hermlin! On questions of the cultural heritage worthy of a socialist society you are incompetent, and you should be particularly careful about discussing and judging matters in which only Marxist-Leninist philosophy and literature are competent." But by implication, it is Wolfgang Harich himself who is the authority on that philosophy and literature, because immediately following the publication of the "bull-goring" articles in SINN UND FORM there appeared an avalanche of articles on Nietzsche versus the GDR in which the dogmatist did not find many allies, with Gerd Irritz even stating plainly that the professor became fascinated with his own hatred and felt "dread and anxiety over losing the object of his hate."

What Does It All Mean to Us?

The delving into the GDR's past now proceeds deeper, into the 1960's and the 1970's. Guenther Deicke recalls Wolf Biermann, over whom a curtain of silence had descended for many years, and mentions in his reminiscences the repressions applied against critically disposed writers, their wellnigh forced emigration from the GDR, and the ban on their publication in the GDR.

The cultural and political life of the GDR is in a greatly different situation from that years ago. Last year the press mentioned informal peace demonstrations as well as Neonazi gangs assaulting worshippers in a church, and the right to travel outside the GDR and an open cultural policy are being openly discussed. The novel "Ahasverus" by Stefan Heym, which had not been accessible for years, has now appeared on the bookstands, and the publication of a novel about the unrest of 17 June 1953 has been announced. Orwell's works and Milosz's "The Valley of the Issa" are going to be published. Of course many books and articles with SPUTNIK and "Repentance" motifs that are not available in the GDR could be named, but one can understand why denizens of the GDR protest where told that no changes are taking place in their country and that it is at the tail end of perestroika.

At the same time, our own Polish image of the GDR, while perhaps less one-sided than the image of Poland in GDR press, also reduces to an extremely fragmentary presentation of official events and unsolved Polish-GDR problems, such as the tourist movement or the line of

demarcation in the Bay of Stettin, or, very schematically, youth exchange or transit problems. It is hard to find in the press anything going beyond that. What is more, the press is clearly reluctant to engage in any analyses of, say, the dangerous processes among GDR youth, in accordance with the principle not mentioning anything that is not consonant with the rigid schema.

This places the matter on its head, and moreover it merely perpetuates prejudices and misconceptions about the GDR as a country in which nothing happens save for official communiques about the dividing line of the Elbe River, period. But much more is involved: this year is the 50th anniversary of the outbreak of World War II and it presents an occasion for a fundamental reconsideration of the relationship between Germany and Poland, with the GDR being only part of it. We have finally ceased to exchange polite phrases about our eternal and inviolable community of friendship, and we are looking for a real coexistence with a realistic allowance for all the opportunities and the burdens of the past. Hence, the changes occurring in the GDR, both the divergent and the parallel changes, should be explored thoroughly.

We may demand of our neighbors to stop writing foolish things about us and cease being silent about what is really happening in our country, but likewise we may demand of our own press that it stop solving problems by not mentioning them, particularly when such problems require discussion, elucidation, comparisons, understanding, and goodwill.

And then there will be no more absurd claims that somebody is 5 years behind or 10 years ahead because everything is a question of the point of view.

10th PZPR Plenum Commentary: Finding Grounds for Cooperation

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No 3, 21 Jan 89 p 6

[Article by Jan Bijak: "The Pluralism of Reasonable People"]

[Text] A new page is opening in our annals, and we are looking at it with hope. Following the imposition of martial law it was possible to preserve our imperiled nationhood, to prevent a national tragedy, to rebuild our international authority, and to restore tranquility. But it did not prove possible to energize the economy, set matters aright and protect our living standards, and repair the wellbeing of citizens. It did not prove possible to obtain the public's approbation of the existing political solutions. Of the sole just principle of struggle and national agreement, the struggle was more effective than the agreement. It proved needed, indispensable, also because it helped make it clear to the opposing sides that the time for mutual concessions and agreement is ripe. The 10th Plenum of the PZPR Central Committee will

probably take a major step in that direction—an indispensable step, but one not lacking the element of risk. However, adhering to the continuing regression and the feverish retention [by the regime] of [its] increasingly illusory monopoly [on power] would be not less but even more risky. It would mean forfeiting the perhaps unique opportunity afforded us by history. This is demonstrated by opinion polls and by the debate between Alfred Miodowicz [the head of regime-sponsored trade unions] and Lech Walesa.

At three different times, in March 1987, in May 1987, and in December 1988, the same questions were asked of respondents. The question whether the system of power existing in Poland is good and needs no change, was answered positively by 8 percent of the respondents in March 1987 and 9.1 percent in May 1987, but only by 3.6 percent in December 1988. The question whether the system of power existing in Poland is in principle good but needs some change was correspondingly answered positively by 45.7, 46.8, and 26.2 percent of the respondents during the same respective periods. And the question whether that system displays many flaws and needs extensive change was correspondingly answered positively by 35, 18.8, and 43.1 percent of the respondents, respectively. The last question, whether that system is bad and it would be good to change it completely, was answered positively by 7.5, 11.6, and, last December (that is, a month ago), 19.1 percent of the respondents, respectively. It is thus evident that the evolution of views has been unfavorable to the system. There is an explicit demand for change, for reforms, for renewal, for authentic rather than shammed political decisions in support of democracy.

The 10th Plenum was to be an answer to that demand—yet another and increasingly urgent answer.

The first part of the Plenum's deliberations, last December, was somewhat disappointing, particularly considering that its importance had been blown up in advance by the press, as usual. The adjectives used were "very important," "a turning point," "historic," and it was only recently that this kind of fanfare ended and one of the new party secretaries even warned on television that the public should not get excited by inflated language. To be sure, during that first, 2-day, part of the plenum there occurred important personnel changes which, together with the earlier change in the Administration, altered the make-up of the top leadership. Younger persons, outside the traditional apparatus, were appointed to the leadership. But the December theses of the plenum in themselves proved to be heavy material and one not too digestible to the average activist, while the discussion itself was of the traditional kind, cautious, and deliberate, which is no praise for it. The most important dilemmas of the present and the future, raised in the speech by the First Secretary of the Central Committee and by the Prime Minister, were not considered during that first part of the Plenum, last December, which was

besides in accordance with the assumptions, and they were considered only during this second [January 1989] part of the Plenum which we are now witnessing.

The location also is different this time. Finally, the discussion was genuine, as were the disputes, and there even were overtones of rhetoric, which always is salt and pepper to discussion (if the leader of the [regime-sponsored] trade unions [Miodowicz] thinks that it is the working class alone that bears the brunt of the crisis, of the inflated prices, and of the queues in front of stores, he seems to forget about the misery of the intelligentsia and the troubles of the peasantry). But what matters most is that during this second, January part of the Plenum the discussion focused on crucial issues and attempts were made to answer the questions asked by everyone. These questions included the crucial issue of pluralism, of attitude toward the political opposition and the trade union movement. More general concepts could, of course, be used, such as national agreement and broadening the platform of governance, but if their surface is scratched what we uncover is still pluralism, the opposition, and Solidarity.

We already did have pluralism and a legal opposition right after the war when blood was being shed and a little civil war was being waged for power, but also for principles. Nowadays we uncover blank spots and rehabilitate the victims of murders and injustice; recently the "Ludowcy" [members of the former Polish Peasant Party] declared that they will demand the rehabilitation of [their leader] Mikolajczyk and the posthumous restoration of that citizenship of which he had been so stupidly and insolently. [The prewar peasant party leader] Witos has had a monument erected to him, and another is going to be erected to Pilsudski. Other statesmen will be remembered, too. That is good. But it is too easy to forget, or oblivion is desired, regarding the nature of the Polish *raison d'etat* and the Polish social revolution at the time [between 1944 and 1948, until the advent of total Stalinism]. To this day we are paying for the defects of the system, for the Stalinist crimes, for the limited mental horizon of our past leaders, but also for the absence of a broader intellectual elite, for the limited numbers of the intelligentsia, for rural backwardness, and for the great migrations which always are led by the adventurer, fortuitous element. We needed "perestroika" and Gorbachev for the pilgrimages to Moscow to become a point of honor also to those who had previously believed for so many years that going there was for the sole purpose of selling out national interests. During those first 20 or so years we had lived through periods of nearly national agreement, as in October 1956 [workers' bread riots in Poznan, the recall of Gomulka], and we had a marked social consensus in the initial years of the Gierek Administration, when the window to the world was opened, but all that time we had been living in a divided society with conflicting interests. People changed camps and parishes, but there always existed opposition to the system, to socialism, while the authorities only sometimes pretended that it was nonexistent.

There were attempts to close eyes, as to the practically explicit activities of the KOR [Committee for the Defense of Workers], which led to the rise of Solidarity; there were the more or less brutal chicaneries; there also were gestures of reconciliation, co-opting of opponents by giving them seats of power, but there also was the bribery by means of [car] coupons and honors. We had pluralism of outlook in a Catholic, Christian country, economic pluralism in the form of private farming, a lively press, and even semilegal, uncensored publications. But a fixed canon was requiring anyone who wanted to act publicly that he do it within institutions affiliated with the apparatus of power, controlled by the party and its affiliated parties, on the basis of individual access.

The novelty of the situation that arose in August 1980 was the rise of a mass organization outside the power system, an organization with an identity of its own and one opposed to the apparatus of power, although mostly not antisocialist in its nature. This particular nature of that organization persists to this day, despite the martial law and the fact that a considerable part of the membership of the former Solidarity has joined the new [regime-sponsored] trade unions. To large numbers of people political activity within already existing institutions, or within ones newly established by the authorities, turned out to be unacceptable, and they want their own organizations as well as participation in state bodies not on the basis of personal access but on the basis of delegation by institutions with which they identify themselves. The related instances vary, and they include the refusal of Lech Walesa to join the new [regime-sponsored] trade unions, even despite the possibility that they may dominate plants and factories, the refusal to participate in the Administration of Mieczyslaw Rakowski on the basis of a merely personal invitation, and lastly the formation of separate artistic or cultural organizations and the establishment of additional Clubs of the Catholic Intelligentsia and various social and economic associations. Pluralism and freedoms grew, and this requires an extension of the political system. It is high time for it, particularly in view of the coming elections, which simply cannot be conducted in the old way.

In view of this phenomenon, which already is a social fact, the PZPR must take a position different from its traditional one. And the issue concerns not only the machinery itself of power. What are the limits of pluralism and of legalization of the opposition? What systemic principles can serve as the foundation for reaching national agreement and broadening the platform of governing, and what might be the subject of a contestation harmful to the nation? Might not the mushrooming associations transform themselves into political parties, and if yes, into what kind of parties? Might not the pluralist trade unions compete with each other, and would not this lead to the same situation as that which had existed just before martial law? Is the party sufficiently mature politically to retain its influence and stabilize the country? What can be done even now and

what is a matter of the distant future? And what safeguards can be built into the system of national agreements in order to protect the interests of the state and preserve the principles of socialism?

There was no unanimity on these questions. Some speakers at the Plenum were inclined to postpone this issue, pass it on for decision to the Conference of Delegates. Other speakers declared that the issue cannot be postponed.

Even now Solidarity is part of the Polish political landscape—provided that it offers suitable guarantees [of not desiring to seize power].

As I am writing this commentary the Plenum still continues and I do not know what final decisions it will take. I am aware that they are not easy. In his opening speech Wojciech Jaruzelski declared, "A strong and healthy party can be a safeguard of our system of society," but is it sufficiently strong and healthy to perform this mission? What should be done to prevent that pluralism which we support from becoming confrontational? It appears that the risk has to be taken. The party leadership nowadays meets with broader approbation from the grassroots. On their part, the opposition and various kinds of independent groupings have evolved their views markedly, as reflected, e.g., in the numerous comments by Lech Walesa and in his stance toward adventurists within the opposition. We can count on the moderating role of the ecclesiastical authorities, which all that time have demonstrated a highly responsible attitude, and whose influence on the moderate circles of the opposition has definitely grown. The broadening of the circle of the persons navigating the ship of state will broaden the base of governance and open new horizons of thought, as exemplified even now by the attitude of certain ministers of state in M. F. Rakowski's cabinet. "He who gets close to the power centers feels a greater responsibility as well," declared Professor Z. Cackowski at the Plenum. This dictum can be considered more broadly in relation to not only the future "independent" ministers of state or parliamentary deputies. I also think that there exists a fairly widespread belief among the public, and in the opposition circles as well, that the PZPR, if it will reform and democratize itself, can provide Poland with the conditions for genuinely bold growth and during the coming and most difficult period can act as a safeguard of political stability. This is particularly important at present. In the future this may be of smaller importance and a more acute confrontation is not precluded then. But, let us hope, this should be a political confrontation and not some adventurism, and it should occur, if at all, in a climate of assimilation of the rules of pluralist democracy and upon respecting the guarantees which we must obtain at present from our partners to the national agreement.

New Businesses, Co-Ops, Joint-Stock Companies; Gdansk Highlighted

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No 53, 31 Dec 88 p 4

[Article by Jan K. Bielecki and Jan Majewski: "The New Entrepreneurism: Number of Firms Mushrooming." Dr Majewski is the chairperson of the Department of Automotive Transport Economics and Organization at Gdansk University. Jan Krzysztof Bielecki is the director of the Doradca [Consultant] Labor Cooperative in Sopot. This article is an abridged version of a paper presented during the Gdansk Congress of Liberals on 10-11 December 1988.]

[Text] Since 1982 small independent enterprises—cooperatives, joint-stock companies, and corporations—began to be established in this country. This is a totally new aspect of Polish economic life and one increasingly often called the "new entrepreneurial movement." Many practitioners and theoreticians link to this movement great hopes for a change in the nature of the Polish economy, its revival, and its inoculation with the rules of the market game. What is the scale of this phenomenon? What are the motives and conditions for establishing enterprises? And what economic and social processes occur within these firms? We attempted to explore the answers with the aid of information gathered in Gdansk Voivodship.

It all began in 1982 with the formation of new labor cooperatives associated within the CZSP [Central Board of Labor Cooperatives] and the CZSB [Central Board of Construction Cooperatives]. In the first 2 years some 15-20 such cooperatives were formed in Gdansk Voivodship, and by the end of 1988 their number reached 80 to 100. During the same period the number of newly established joint-stock, shareholding companies was even higher: during 1982-84 only 13 were registered, but in 1985 the number of those registered was 23; in 1986, 76; in 1987, 534; and in 1988, 869.

Initially the shareholding companies were chiefly formed by large state enterprises owing to, among other things, the advantages this offered to operating on foreign markets. As such, these companies could not be regarded as forms of new entrepreneurialism. As of 1985, however, there began the process of the formation of shareholding companies by newly established cooperatives, sometimes between these cooperatives and state enterprises or individuals, but most often with most of the capital being contributed by the socialized [state] sector, so that they gained the status of entities of the socialized economy. As of 1986 the formation of shareholding companies by private individuals intensified. Such companies are viewed as entities of the nonsocialized sector [private companies].

It is interesting that a relatively large number of the shareholding companies remained dormant for some time after their registration. By the end of September

1988 in Gdansk Voivodship not more than 400 private companies in Gdansk Voivodship began to be active, along with a like number of socialized-sector companies, although the total number of the companies registered by the beginning of December 1988 was 1,515. Even so, however, this new entrepreneurship is already creating a completely new situation. To wit, as of 1 January 1988, about 1,452 socialized enterprises—exclusive of shareholding entities of the socialized economy—operated in Gdansk Voivodship, meaning that the total number of enterprises had doubled.

Data on the operations and economic potential of the new firms are practically unavailable, because these firms are extremely reluctant to provide information about themselves; we have only the data from entries in the Commercial Registry.

A Sketch for a Portrait

Most of the newly established firms began to operate with extremely low capital. In the new labor cooperatives member contributions of capital were at the level of several score thousand to several hundred thousand zlotys. The shareholding companies formed by socialized enterprises were based on member contributions of from 300 to several hundred thousand zlotys, and our observations indicate that most often these contributions averaged between 100,000 and 200,000 zlotys. The range of contributions by shareholders in private companies was much more variegated: along with those ranging at several hundred thousand zlotys, some were much higher, in cases in which partners contributed capital in the form of buildings, machinery, and materials.

In view of their low capital resources and ineligibility for bank loans, the new enterprises had to offset their expenditures from current income. Similarly, they lacked the funds for financing even minor investments. Despite these problems, the new enterprises reached a sales volume averaging 20-100 million zlotys during their first year of operation and 50-200 million zlotys during the second.

The lack of capital was offset by various techniques at the expense of customers, executors, or workplaces of executors. For example, delays in payments [of suppliers' invoices] can be more profitable to a computer company than its normal profit margin. Software developed at a university can be sold by a company which lacks even a computer of its own. Or payment of dividends to shareholders may be suspended, since it is cheaper to be sued. Many other ingenious maneuvers of this kind can be applied.

The operations of the new companies have been almost exclusively confined to providing all sorts of services, mostly not requiring the use of special-purpose equipment. The most often provided services are of the repair kind, especially the painting of steel structures to protect

them against corrosion (in this connection, many young companies specialize in providing such services at considerable building heights). Other services: training, consulting, information, mediation, and trade in and installation of electronics equipment. There has existed and exists an extremely high demand for all these kinds of services, which is not being met by the old state and cooperative enterprises.

Most of the new companies employ personnel chiefly on the basis of assignment contracts. A frequent arrangement is one under which clerical employees and managerial personnel are salaried while direct executors are "independent contractors."

The portrait of the average new firm can be sketched as follows:

- Firms providing expertises, training, and information services. These have an average of 10 to 30 salaried employees and their gross income averages 30 to 100 million zlotys. They avail themselves of the services of experts employed by other enterprises or at institutions of higher education.
- Firms providing repair and construction services. These have an average of 30 to 100 salaried employees and their gross income averages 50 to 200 million zlotys. They employ secondary school and university students as well as employees of other enterprises on the basis of assignment contracts.
- Commercial middleman firms (chiefly trading in electronics equipment), employ an average of 10 to 30 salaried staff and their income averages several hundred million zlotys to several billion zlotys.

Not Capital but Genuine Desire

The motivation for establishing new companies is, in our opinion, best exemplified by labor cooperatives. It seems to us that the following types of enterprises can be distinguished from this standpoint:

- Cooperatives formed by members of former Solidarity and NZS [Independent Association of University Students] who could not or would not work at socialized establishments. Their motives can be generally characterized as follows: the desire to be independent of party and administrative apparatus, provision of help to repressed colleagues, establishing an independent milieu, assurance of material independence for members—such was the order of importance in which these objectives were mentioned.
- Cooperatives formed by [regime-sponsored] student-organization activists, members of the party apparatus and of the OPZZ [National Trade Union Alliance] [regime-sponsored trade unions]. Our observations indicate that the motive of the founders was achieving decent earnings but also withdrawing from previous political or trade

union activity, finding job satisfaction, and achieving greater independence. We were unable to determine the order of importance of these motives.

—Cooperatives formed by persons largely aloof from political and social activity but dissatisfied with their previous jobs and earnings and exploring the possibilities for personal growth.

All these three groups were numerically dominated by young people, 20 to 30 years old (and particularly 23 to 25 years old). Most of the joint-stock companies were established during 1986-87 by labor cooperatives or their joint-stock companies. The reasons why this particular form of activity was selected are fairly obvious: this concerned assuring the further growth of organizations hampered by regulations and by the existing management systems.

Another major motive was the ambitions of the members of the "old" cooperatives who felt constricted by the traditional system. Doubtless the possibility of augmenting personal income was also considered by the managerial personnel of cooperatives (additional employment, emoluments for participation in supervising councils and main boards of cooperatives, high personal shares owned). Yet another motive was the possibility of engaging in new activities not accommodated by the operational scope of the old, founding cooperatives but promising extremely high profits.

It ensues from the above already that it was not the desire to invest capital but personal ambitions and the need for what was often absurd budget games that were the decisive motives.

Realities and Ideals

Our observations on the operations of the new enterprises represent chiefly a summation of the experience gained during 1983-88 while providing consulting services to more than 30 firms.

As regards economic relations, let us point to the following tendencies:

- Extremely high share of salaries in operating cost. Initially it reached the level of 50 and even 70 percent, tending to decline during subsequent years of operation.
- Slow growth of fixed capital.
- Financing of operations almost exclusively from the firm's own operating capital and fixed liabilities.
- Much higher wages than those paid at state enterprises; in this connection, the disparity decreased markedly as of 1988.

—Relatively low overall cost level, especially as regards administrative expenses which, however, in successive years have tended to increase slightly but explicitly.

—Much higher labor productivity than at state enterprises, despite the low level of power equipment per employee.

The personal changes in members of these company communities appear highly important. The enterprises were, especially at first, managed by young people who almost totally lacked professional experience. They availed themselves of various forms of consultancy and tried to employ highly qualified accountants. The speed with which these young people learned is amazing. They demonstrated and still demonstrate great willingness to adopt innovations and take risks as well as ingenuity in exploring new fields of action serving to do good business. They succeeded very rapidly in becoming equal partners in the relationship with their clients—the managerial personnel of state enterprises. Inexperienced and awkward young people soon turned into resolute and modern managers. A noteworthy curiosity is that they changed little in their external appearance and lifestyle.

The activities of the managerial personnel of the new firms were and are chiefly directed outward. It appears that fairly often their ability to manage employee teams is rather limited.

In considering the changes in the interests and preferences of the employees of the new firms we paid special attention to the firms linked to a greater or lesser degree to oppositionist milieux. We tried to explore the extent to which the employees of these firms are faithful to the ideals with which they began their work. There is no unequivocal answer to this question, but certain tendencies are fairly symptomatic. These include:

- the abandonment of political and social activism by some employees. This is partially due to marked commitment to professional or occupational activities resulting in improved personal economic status and partially to finding job satisfaction;
- the recognition, by an overwhelming majority of the members of these communities, of the validity and necessity of supporting private enterprise;
- the emergence of a group of ideologically committed leaders with a high moral authority, on whom the company community has bestowed its mandate of trust. They exert a tremendous influence on the ideological visage of the entire workforce.

Personnel Relations

A major problem is the evolution of interpersonal relations at the new enterprises. It is noteworthy that most often these enterprises were established by young people linked by previous personal ties while still university

students or members of social or trade union organizations, or otherwise linked by informal group ties. Their joint formation of an enterprise has resulted in the evolution of new relations among them, superior-subordinate relations. Usually they were insufficiently prepared for this change in their mutual relations. Attempts made to base these relations on equality have sometimes adversely affected the performance of enterprises. This has caused and is still causing numerous conflicts, and in many cases attempts to maintain the status quo in mutual relations have ended in failure.

Another factor complicating interpersonal relations has been the occasional improper selection of company managers. At times, previous group leaders, once appointed managers of companies, turned out to be less efficient and dynamic than fellow group members who had become their official subordinates. In some cases this led to dramatic tensions resulting in the departure of some team members.

The growth of the companies resulted in an influx of new employees. Conflict between the so-called founding members and new employees has been fairly typical. Usually it consists in that the new employees are chiefly concerned with their earnings instead of identifying themselves with the firm, and the atmosphere and ideals of the team are relatively unimportant to them, and moreover they view the old ones as wanting to derive advantages from their being the founders, and holding the most lucrative positions, being the bosses. The course of such conflicts has at times been very sharp. More often, however, the reaction we encountered was of the "Still, the company itself has changed. Look how they have changed" kind.

A Marginal Activity

In discussions of the "new entrepreneurialism" the issue of unsound economic activity is often pointed out, especially the need to fix a high level of operating cost, particularly during the initial operating period of a new enterprise, since that is the basis for fixing the price for the services rendered. Other criticized aspects include the provision of pseudoservices intended chiefly to evade unfair regulations, as well as the limited possibilities for paying "good wages for good labor." This forces the enterprise to engage in various activities inconsonant with the regulations, e.g., the introduction of so-called dead souls [payroll padding] and an extensive system of

bribery. Paying a bribe for a job assignment is a frequent instance. A common practice is giving bribes for the allocation of the producer goods needed by the enterprise to operate.

These, however, are the consequences of the logic of the present economic system. They are pathological from the standpoint of the market-economy model, but they are normal from the standpoint of our artificially constructed system.

The share of the "new entrepreneurialism" in generating our national income is quite marginal, even in Gdansk Voivodship. Being established through grassroots initiative, the new enterprises lack the possibility of becoming economically strong and well equipped economic organisms initiating technical and technological progress. They can be no serious competitors to big state enterprises with their huge capital and production facilities. This pessimistic assessment ensues from the fact that all these new enterprises are extremely undercapitalized and the existing tax and credit systems are such as to prevent, even over a longrange time frame, these enterprises from accumulating the capital needed for their transformation into small or medium-sized enterprises with a high technological level. They are therefore doomed to providing services that do not require expensive specialized equipment, or to manufacturing simple out-of-date products. Thus, any further increase in the number of these enterprises cannot be expected to be a major factor in restructuring the Polish economy.

However, the growth of the "new entrepreneurialism" is of major importance to the changes occurring in the Polish economy.

The rise of the new enterprises has made it possible even now to markedly augment the numbers of capable and resolute managers with experience in coping with difficult economic problems. The departures of experts from state enterprises and the absence of influx of young and dynamic employees to these enterprises have even now forced these enterprises to revise their personnel policies, improve the utilization of their human resources, and improve the wages they pay. In addition, there now appear realistic possibilities for changes in economic policy as based on supporting new enterprises and creating competition for inefficient state enterprises trying to preserve their monopoly. The question, however, is whether the authorities are capable of not only understanding that this affords a chance for changing our economic situation but also exploiting that chance.

That will not be easy.

BULGARIA

Avtomobilen Transport's Deputy Chairman Discusses Problems

22000035 Sofia RABOTNICHESKO DELO
in Bulgarian 8 Nov 88 pp 1, 4

[Article by Nikola Dinov, deputy chairman of the Avtomobilen Transport SO: "The Road to Economic Growth"]

[Text] The Avtomobilen Transport SO is the largest trust within the national transportation system. The trust hauls annually more than 320 million tons of freight and 2 billion passengers and its commodity output is worth 1.6 billion leva. It includes 29 automotive combines, nine automotive repair plants, a scientific research institute, a marketing and procurement enterprise, and another four other smaller production units.

During the eighth and ninth 5-year periods the strategic trend followed in the development of the Avtomobilen Transport SO was one of technological updating of all activities. In addition to the structural changes in the automotive fleet, hauling, production and management automated systems are being successfully introduced. Today one-half of the automotive combines have their own computer centers with multifunctional computer facilities. It was precisely technological retooling that became the foundation for a qualitatively new economic growth of the trust. Between 1985 and 1988 social labor productivity increased by 10.5 percent and the overall increase in the volume of haulage and industrial output was the result of higher labor productivity.

Unlike the other sectors of the economy, automotive transportation for public use is technologically coordinated on all levels. It is this that predetermines the centralized basis of its management. Ever since it was established in 1948, efforts have been made to decentralize its management. All such attempt (1959-69) failed and caused a worsening in its work. Technological unity is the prerequisite as a result of which over the past 10 to 15 years a streamlined system for managing interregional freight and bus transportation was developed.

The requirement of centralized management in automotive transportation is made necessary for other reasons as well. Which are they?

Every year urgent needs arise for the transportation of freight and passengers, which cannot be met by the respective automotive combines. Such cases call for the redirecting and assigning of motor vehicles and adverse economic results are compensated out of the monetary funds of the trust or the state budget.

Passenger transportation is a basic activity of the Avtomobilen Transport SO. This activity is of great social, economic and political significance. There is no settlement in the country linked with a road without regular

bus service. Today the country has and is running 12,826 bus lines totaling 437,593 kilometers in one direction, with a total of 118,520 runs daily. A considerable percentage of the bus lines and services are in the cities. Currently 157 cities in the country have their internal passenger transportation services and eight of them have trolley buses as well.

Both worldwide and domestic experience has proven that a properly functioning urban passenger transportation system is a powerful factor in upgrading labor productivity in the other sectors and ensures the worthwhile utilization of the population's leisure time.

Regardless of the steps which have been taken, the country also has a number of unsolved problems.

One of them is the fact that bus and trolley bus passenger transportation systems are not organized on a precise economic basis. The cost per transported passenger is higher than the revenue by a factor of 2.3. This is the reason for losses from the operation of this type of transportation to reach 86 million leva for 1988 (estimate) and, according to preliminary estimates, 96 million leva for 1989.

Actually, urban passenger transportation is a losing activity throughout the world. Such losses suffered by the transportation organizations are covered in the socialist countries by the state or municipal budgets and those of the transportation companies in the capitalist countries by the respective municipalities, in accordance with the laws.

For a number of years, in our country as well losses from urban passenger transportation were covered by the state budget. This is also stipulated in Article 54, Paragraph 1, Point 3 of the present Regulation on Economic Activities. Nonetheless, the subsidies are not being provided promptly. This puts in an difficult situation the collectives of automotive combines and, particularly, the specialized automotive enterprises.

Bearing in mind the fixed prices of passenger transportation and the fact that daily losses are incurred from the development and improvement of the work in urban passenger transportation, the subsidizing of urban passenger automotive transportation must be organized on a firm legal basis. This will be a means of stabilizing this important type of transportation and eliminating the constantly recurring weaknesses, the more so since practical experience has indicated that neither administrative measures nor good wishes can solve this problem.

This, however, is only one side of the coin. For example, who should be granted subsidies which, through a variety of other channels, are repaid to the budget? It is imperative to create real conditions for some of the subsidies (at least covering the losses for the respective year) to be

deposited into the proper wage fund for the personnel engaged in transportation for increasing the assets of the SBKM and Development and Technical Improvements Funds.

Under the conditions of self-government exceptional attention is being paid to the initiative and possibilities of the enterprises. The deployment of the forces of an enterprise and its direct ties with the market, however, should not lead to the abandonment of some organizational forms which, to this day, are proving their high viability. This applies to the trusts as a form of economic organization. A number of scientific specialists and senior officials would like to eliminate this form in one fell swoop, regardless of consequences. At a time when responsible (fatal) decisions are being made, let us take into consideration the losses. However, not all sectors and subsectors in our economy should be gauged on the basis of the same yardstick.

The unification of the automotive combines and automotive repair plants within a single economic organization—Avtomobilen Transport—is based on the economic nature of public automotive transportation. Through a unified computer center, the haulage of freight among areas is being controlled through a single computer center and savings from this step have exceeded 2 million leva. A successful unified scientific, investment and technological policy and cadre training and qualification is being successfully implemented.

The concentration within a single center of financial funds makes it possible to solve particularly important problems related to the technological updating of automotive transportation and the development of its expensive infrastructure. This cannot be accomplished by the individual enterprises, for currently the annual volume of capital investments is in excess of 200 million leva. This year's experience to decentralize the accountability of automotive combines and plants resulted in virtually insurmountable difficulties in self-financing. Interest owed on delayed payments to suppliers ran into the millions of leva and virtually all enterprises found themselves in a state of fiscal helplessness.

The association includes automotive combines, such as the ones in Smolyan and Kazanluk, which cannot achieve even simple reproduction with their income. The building of centralized services and automotive centers is beyond the capacity of any single automotive combine. This applies tenfold as much to the plants. The modernization and reconstruction which are currently under way at the plant in Purvomay call for more than 17 million leva's worth of investments. The plant alone could not repay this amount in 100 years, and what bank would extend that kind of credit? Nonetheless, the goods which this plant will be producing will be of vital importance to the automotive combines. Consequently, they are interested in completing this construction. But how is this to be accomplished without the trust?

The material and technical procurements for automotive transportation are a basic prerequisite for its efficient development. The scarcity of spare parts for some types and models of motor vehicles, which is increasing with every passing year, is a major reason for identifying and utilizing reserves. According to the regulations, each economic organization and even each enterprise has the right by itself or through the foreign trade organization it has chosen, to market its goods and to procure the necessary raw materials, materials and spare parts it needs. Is this what is actually happening? No, it is precisely the opposite: The Avtomobilen Transport SO is the largest consumer of spare parts for motor vehicles, for more than 65 percent of imported parts are used by the plants and automotive combines. Under these circumstances the trust itself must import them. Unfortunately, to this day the old practices are being applied. Contracting and procurements are managed by the Balkankarimpeks TD and matters are handled by the Territorial Procurements SO and the Mototekhnika SO. It turns out that parts may be found in warehouses, while automotive repair plants have been working with interruptions and there are more than 1,500 functional vehicles waiting for parts. Here is a trite example which, nevertheless, I shall mention: One of the reasons for the dirt on the buses is the lack of automatic washers. This year 10 automotive centers and garage areas with automatic washing installations for buses will be opened. However, this is only what the plan stipulates, for the Territorial Procurements SO, although having contracted to procure four of them, will be supplying the trust with only one. Yet our buses transport 94 percent of all passengers in the country! The conclusion is self-evident: We need a real "emancipation" and the elimination of middlemen.

The proper and timely solution of these problems is not exclusively in the interest of the trust but, above all, of the national economy and the population.

CZECHOSLOVAKIA

Komarek Views Problems of Economic Future
24000039a Prague NOVA MYSL in Czech
5 Oct 88 pp 69-80

[Article by Valtr Komarek: "Restructuring: Theory and Practice; Open Economic Issues of the Future"]

[Text] Findings so far from work on the Aggregate Prognosis for the CSSR, which will culminate at the end of this year with an evaluation of documents by the leadership of the party and the central government, have already pointed to several serious issues connected not only with future developmental stages of Czechoslovak society, but understandably also with real economic and social development problems facing our country in our current stage of development.

As documents of the Ninth CPCZ CC Session in April 1988 point out, the main difficulty is that we will be dealing with qualitatively new tasks of restructuring all aspects of the life of Czechoslovak society at a time when the developed world—and Czechoslovakia will naturally remain a part of this world—is clearly experiencing the crystallization of several new development trends. It is no longer sufficient for us to transfer these trends mechanically, to apply and exploit only individual technological changes. We need to understand their profound and comprehensive nature, and approach them with this in mind.

The contemporary scientific and technical revolution is proceeding at such an impressive pace not because potential applications for electronics have increased, but mainly because the new technology is connected in a new way with a subjective element, namely the creative powers of man, his emancipation and liberation from technical and economic determinism, as well as from monotonous work rhythms in large, formalized work collectives, from the former essential responsibility of physical presence at a definite workplace, etc. Add to this the sharp rate of change in the priorities of broad groups of people in the developed countries, where the content of work, the importance of free time, the value of a healthy environment, human health, disarmament questions and the achievement of a lasting peace are all becoming more important to people than the previous general consumerism, the accumulation of material goods and the ruthless exploitation of natural resources. We emphasize this context because the application of information science does not lead today only to product miniaturization but also, in conjunction with new technologies for downsizing product units, to an intellectualization of production and products with higher value added. Decentralization trends are coming to the fore that break up the "monopoly of information" and make it possible for producers to adapt flexibly. These processes also mean the casting off of traditional material, raw material, and power burdens, with their accompanying drains on transport and services.

In the real world of capitalism these trends have historical limits that they cannot overstep. Capitalism, after all, has succeeded in evolving certain adaptive mechanisms. These amount to an eclectic, complicated mixture of certain humanist aspirations, including the humanization of work and economics interspersed with a new wave of economic Darwinism, with mass bankruptcies, unemployment and other punishments of the "weak." This is accompanied by a new, harsh differentiation to the advantage of the "strong," who in the final analysis are none other than those who view capital as a social relationship. The new wave of prosperity is purchased at the price of a burden of social contrasts and new social tensions. Solutions to chronic unemployment, regular waves of mass bankruptcies, etc., are sought after but not found. Things rule more and more over people through fixed social relationships; armed with a flood of information, the enlightened, modern man is alienated more

and more from control over the economic and technical conditions of his social existence.

A direct contradiction of the social essence of capitalism is the historical fact that the foundation of this entire dramatic movement of qualitative changes brought about by the scientific and technical revolution is a new social mobility for man. Broad elements of the population are more and more educated, armed with a mass of information, and are cultivating their aptitudes for flexible and creative adaptation under changing production and consumption conditions. The earlier concepts of such leading theoreticians as D. Bell, H. Kahn, Z. Brzezinski and others, and their imitators from the socialist countries, held that science would become a decisive and immediate force of production, so that strictly centralized control spheres could be loaded into computers directly from the laboratory, and from there issued with mathematical precision to each individual production center. These theories, which clearly were attractive for their potential for manipulation of the masses and therefore suited the strategy of the military-industrial complex, have not proven to be accurate. The rapid advance of scientific applications is objectively related to the spread of education and access to information among the masses, along with their previously unknown social mobility. This is fertile ground for a new historical cultivation of socialism.

Because increased social mobility among workers is an objective necessity, it is urgent that we have a socialist policy that the general public be well informed, that the government be open with the citizens, that reality be approached in a constructively critical way, and that the communist party carry on an uninterrupted dialog with the masses. We rightly call attention to the dominant role of the masses, to the indisputable historical fact that those masses which in all previous socioeconomic formations were the object of manipulation by the central agencies of ruling class authority have become under socialism the most important entity, an entity that all by itself can freely and democratically determine the development of its own society. Neither the momentum of central manipulation of the masses nor the dangerous bureaucratization of the political, economic, and social mechanism of socialist society can stand in the way. The economic interests of people are not their only interests. One must respect the biological, historical, and social heritage of the person as reflected in the unity of his rational and emotional life, his thoughts and feelings, his economic, aesthetic and ethical motivations. A modern economy is deeply immersed in society. This means that the basic objectives of socialist economic development cannot be derived from economic movement itself, but must be derived from the evolution of society as a whole in accordance with the natural, historically conditioned desires and expectations of the masses, with a grounding in economic feasibility of course. We cannot duplicate previous planning "practice," it can be said planning routine, in which instead of deriving plan objectives

primarily from the interests, desires, and daily expectation of the popular masses, task determination came to be the domain of planning center bureaucracies. These bureaucracies exaggerated materials balances techniques that glorified production and its extensive, quantitative growth, basically at whatever price and including production for the sake of production. At the same time satisfying the nonproduction needs of the population became in actuality a residual concern, despite magnanimous determinations of its importance. This type of development began to set the economy against the people, began to glorify the attitude that the only purpose to life was to work more and more, to outdo each other in terms of work output, even though the work that was available in the outdated "version" of industrialization was mainly simple, monotonous, manual work. A new alliance between the economy, ever more rapid movement of the masses, and national development is becoming an indisputable reality of the modern period, as measured by the time line of the scientific and technical revolution of the late 20th and early 21st centuries.

In this context how is one to evaluate the current position and developmental possibilities for Czechoslovakia.

It can be considered a scientifically confirmed fact that Czechoslovakia is an economically developed country. This judgement is based on the level of development of the national economy, its existing production potential and the inseparable indicators of worldwide education levels, qualifications, overall cultural sophistication, and other aspects of the infrastructure available to the Czech and Slovak people, all of which represent national wealth in the broadest sense of the term. For this reason the conclusions of several recent politico-economic articles in the Czechoslovak and the foreign press that place us in a group of countries estimated to have half the standard of living of Austria and France, well below the standard of living in Italy, and closer actually to that of Portugal and Mexico, are more than open to dispute. After all, even in the 1890's the industrialization of the Czech lands within the Austro-Hungarian empire was comparable to that of France. Even after the fall of the monarchy the newly created Czechoslovak Republic retained some two-thirds of the entire processing industry of the monarchy along with its extensive market estimated at 60 million inhabitants. In the first 15 years or so of the postwar boom, this industrial base expanded significantly.

Several large, monopolistic industrial concentrations emerged from the ranks of small companies. These larger entities achieved a high order of complexity, with the capability to deliver products from the R&D stage, through the design and production of a full product line, to full installation and service capabilities, etc. These companies were also often able to design and produce some of their own capital equipment. In addition to the predominant consumer goods and food industries several basic industries developed to become quite strong,

namely metallurgy, coal, chemicals, and construction materials. The engineering industry grew rapidly: By 1937 our engineering industry accounted for 26 percent of world arms exports. The destructive impact of the world depression meant for Czechoslovakia a decline of industrial production by 1933 to 1929 levels, and roughly one million unemployed. Thanks to favorable prewar conditions the Czechoslovakia economy revived in the second half of the 1930's to record impressive performance, even by worldwide standards.

The standard of living of the Czech lands (the current CSR) at the end of the 1930's fluctuated between that of Belgium and the Netherlands, but was most comparable to the economic performance of France (about \$250 per capita). The standard of living of the entire bourgeois CSR was influenced by the relatively undeveloped areas of Ruthenia and of substantial portions of Slovakia. This caused the overall estimate to decline to just under \$200 dollars per capita.

Precisely these realities are fundamental to an evaluation of our current level of economic development. Czechoslovakia entered the initial period of socialist construction with this level of development, i.e. with a developed heavy and, especially processing industrial base, with a mature intelligentsia, both working class and rural, with rich, industrial, democratic, and cultural historical traditions, and a reputation for good craftsmanship. An ambitious program of socialist industrialization led to further significant strengthening primarily of the heavy industrial and engineering sectors and then built on this well-rounded potential. Comparisons show that industrial production grew much faster in our country than in European developed capitalist countries (VKS), thanks to a large scale industrialization program that has few parallels in the history of developed countries. Figures show that the production of such basic products as electricity, coal, steel, and cement increased in physical units over the three decades of the most rapid industrialization, by a factor of 7 to 20 compared with 1937 (or 1948) levels. The number of people employed and engineering facility space increased by a factor of 5 to 10. The average growth rates of basic chemical production, including sulfuric acid, petroleum refinery products, tires and plastics, synthetic fibers and artificial fertilizers were still greater. The growth rates of nonferrous metals, wood products, cellulose and paper, and even of most of the traditional previously very widespread products of the consumer goods and food industries also increased significantly (production of textiles, shoes, slaughter meat, flour, and beer increased by a factor of 3). Published international comparative statistical indexes indicate that for the first three postwar decades our industrial production increased roughly three times as fast, after hard corrections for hidden price increases, at least twice as fast, as that of West European VKS. To summarize it could be stated that we have at our disposal the greatest per capita conventional industrial potential in the world.

These accumulated resources of the Czechoslovak economy and society are currently being gradually devalued and weakened by persistent extensive approaches to future social growth. These approaches do not correspond to world trends in the use of economic resources in a period of scientific and technical revolution. The immense Czechoslovak conventional industry has passed its zenith of efficiency and the previous fundamental growth of the economy is now turning into a disadvantage, because it eats up excessive power, material, investment, import and human resources. This is all happening at the expense of new quality of economic and social movement based on modern science and technology, and necessarily connected with a shift of investment policy from industry to "people," mainly to science, education, qualifications, and new types of capital investments, investments in environmental protection. In short, we need to focus on achieving a more sophisticated lifestyle. A perceptible decline in the growth rate of national income in the past ten years has been the clearest signal of these changes. The growth rate declined from a very favorable figure of 5-6 percent in the Fifth 5-Year Plan, to 2.9 percent in 1980, then to -0.2 percent in 1981. Recently the annual growth rate has revived to the 3 percent range, but low product quality continues and expansions in production capacity still tend to be of the extensive type. The momentum of extensive economic growth is also confirmed by a July 1988 report of the Federal Statistical Office on Czechoslovak National Economic performance for the first half of 1988. This report documents the continuation of nonplanned increases in national income through quantitative

increases in industrial production (including heavy industry) instead of reductions in production consumption, unsatisfactory developments in the technical sophistication and quality of output, nonplanned and excessive increases in investment, etc. This all results in only moderate improvements in economic performance, which is reflected in a worsening of our position on world markets, and to losses in export competitiveness with developed capitalist countries for more sophisticated items.

The unique scope of the CSSR industrial base, combined with its extensive industrial structure and the functioning of its economic mechanism results in a high, and increasingly less tolerable resource intensiveness of economic growth. Czechoslovak industrial output fluctuates in the vicinity of 43 percent of gross domestic product, while the average for VKS is around 24-32 percent. For coal extraction, the comparable figures are 3.6 percent for the CSSR and 0-0.9 percent for VKS. For engineering the figures are 16 percent and 6.7-7.8 percent (only in the largest VKS does the figure reach 10 percent), for ferrous metallurgy 3.6 percent and 0.6-2 percent, respectively, for textile production 2.5 and 0.5-1.4 percent, respectively. Likewise, production of speciality chemicals, electrotechnical products, printing products, paper, foods and drinks is a lower percentage of total Czechoslovak output than of the output of VKS. Comparison with comparable European VKS (Austria, Belgium, Denmark, Norway, Sweden, Finland, the Netherlands, and Switzerland) yield the following differences in power and materials intensiveness:

Average 1981-85	Per Capita 1985		Per 1,000 Dollars GDP	
	CSSR	Average VKS	CSSR	Average VKS
Primary energy consumption (gigajoules)	183.6	141.7	19.9	12.2
Raw steel production (kilograms)	974	325		
Raw steel consumption (kilograms)	709.3	338.5	77.1	29.0
Cement consumption (kilograms)	662.3	454.2	72.0	39.0
Gross ton-kilometers freight railway Transport	9,344.7	2,061.2	1,015.6	179.0

Source: Author's calculation; average for 1981-85

The result of high production consumption and the excessive weight of the industrial sector is a serious relative lag in services for the population, in scientific and technical development, and in information utilization. In the smaller VKS the primary sector accounts for about 7 percent of employment, in the CSSR the figure is 12-14 percent. In the secondary sector the VKS figure is about 31 percent, that for the CSSR 47 percent. For the tertiary sector the relative figures are 62 percent for the VKS, and about 40 percent for the CSSR.

The above data document the fact that the structural profile of the Czechoslovak economy is fundamentally out of line with the objective comparative advantages of

our level of economic development, the qualifications of our work force, our accumulated industrial, technical, and sometimes even scientific knowledge, and our overall cultural and educational environment.

This situation is evident in the low share of personal consumption in the use structure of national income, the high percentage of personal consumption accounted for by food, the low level of imports for the domestic market, especially of state of the art technology, and the inadequate level of trade with VKS.

In economic performance terms these problems are reflected in a low and relatively declining kilogram prices for our machine tool exports, in the underutilization of

capital assets, the sedimentation of national labor in excessive inventories, the tying up of resources in excessive numbers of noncompleted and behind schedule construction projects, stagnant foreign trade figures, significant losses of agricultural production excessive transport system utilization, and stress on the environment.

The negative consequences of the low value added to the material and energy inputs of the Czechoslovak economy include the impact on the economic structure and its broad socioeconomic context, the entire, complex problem of production relationships and the economic mechanism, as well as the economic attitudes, criteria and priorities of the current extensive development concept of socialist economics.

We have thus reached a critical point in our development when the embedding of old attitudes to development in the concept of the draft of the Ninth 5-Year Plan would shift us to a development path that would put us behind the economies of the developed countries. This inertial concept would lead to further opening of a scissors between generated and utilized national income, to the continuing unprofitable outflow of domestic resources and highly qualified people abroad. It would mean an intensification of the negative aspects in the structure of domestic resource utilization and above all a high level of accumulation (investment). Moreover, it would seriously threaten the implementation of the tasks of the 12th CPCZ Congress—to reduce by the year 2000 energy intensiveness by 33 percent and ferrous metal intensiveness by 40-50 percent. Using current projections for the evolution of energy intensiveness the total volume of fuel and power resources in the year 2000 will be in the vicinity of 115 million tons of standard fuel, which is about 10 million tons of standard fuel more than currently used. The above mentioned investment requirements to cover this increase, along with the extensive multiplicative impact on the metallurgy and heavy engineering sectors opens up the possibility for a continuation of the high materials and power intensiveness trend. Along with the qualitative backwardness of most branches of Czechoslovak industry, above all general engineering, light industry, and the agro-food complex, this will prolong the existence of the current less and less advantageous participation of the CSSR in the international division of labor (by continuing to export rolled steel, to receive low per kilogram prices for exported machine tools, consumer goods, etc.). It will also threaten the original assumption of reducing energy intensiveness by 33 percent. This points to a deeply contentious, very rocky period in our foreign relations, one that will have a negative impact on our development.

The inertial concept of development does not remove the strait jacket that now restricts possibilities for expanding our trade with other socialist countries. Rather it reinforces it. These countries have been under pressure for some time now to develop their economies

intensively. This has been accompanied by the pressure of balance of payment obligations to the West, which have forced these countries to develop high quality products and raw materials for export mainly to the West. Finally, with regard to relations with nonsocialist countries, the investment priorities of the inertial variant of development would perpetuate the decline of the price and nonprice (controlled by quality) competitiveness of Czechoslovak products on the markets of developed countries. Retaining the inertial variant will make it impossible to achieve a real growth rate of personal incomes (i.e. adjusting for hidden price increases) after 1990 that would correspond to the resolutions of the 17th CPCZ Congress. This Congress set the objective of increasing the standard of living by 50 percent by the year 2000, gradually developing a highly diversified supply of quality consumer goods, making housing more comfortable, expanding tourism, services, etc.

National restructuring is a precondition for such forward progress. The objective internal uniformity of the socialist socioeconomic formation means that this restructuring can take place on the identical foundation of historical conflicts and developmental requirements as contemporary socialism. It will therefore have the same social configuration, the same basic priorities and goals. The guiding theme will be the full development of human creative potential, and individual self-realization. The social forms of human existence must support this realization process, not hold it back. This requires full democratization and the complete development of self-administering, self-regulating forms of management and administration.

The dynamic variant of projected development aims at achieving a modern socialist civilization with high economic productivity and a high standard of living. This means that we must be successful in reallocating national economic resources in efficient, high value added areas of industrial production, and in developing the ability of these industries to react flexibly to changing market requirements, at gradually higher levels of quality, technical sophistication, and economic efficiency. This also means that we must succeed in developing an extensive service sector to train employees, advance science and R&D, and to stimulate and enhance the creative powers of the work force.

The heart of this strategy is new social energy liberated by profound social restructuring, in conjunction with modern, scientific means of production, a skilled work force, and a significant intellectualization of production. Intellectualizing production, however, is a difficult and complex strategy that must have the proper social infrastructure. The foundation for implementing this strategy is a profound qualitative restructuring of our engineering industry, accompanied by a reorientation of our consumer goods industry to its traditions of high quality, and the development of a speciality chemicals capability. The development of an immense service sector, both to support R&D (comprehensive information processing

and utilization) and for the general public, is the foundation and the motive force that will determine the ultimate form of the restructuring. The modernization and full rationalization of the agrocomplex will complement this central "pull." Radical cutbacks in the fuel and power, metallurgy (including engineering), bulk chemicals and other sectors engaged in the mass production of low value added items must be made in order to create opportunities for a corresponding concentration of necessary resources in these sectors. This involves, then, both closer integration of production with domestic and foreign markets, and replacing the "cult of production, of industry" with direct criteria of quality, increases in the standard of living, improvements in the overall life style and living conditions of our people. The largest and the most progressive changes must occur precisely in this area. The only cure for the inertial concept of "production for the sake of production," and for the potential threat of a crisis of overproduction, is new dynamism in the qualitative aspects of our standard of living.

The most critical problem of the near future, then, is not to avoid a mechanical return to high quantitative increases in national product, but to significantly improve the quality of what we produce. The fundamental criterion for this qualitative change is provided by the very theory of Marxist political economy, or theoretical politico-economic analysis. Specifically, the criteria are worldwide convertibility of goods, as determined by market requirements of the most sophisticated world markets. If, in other words, valuation criteria on the world socialist market have deviated from their general historical mission of providing maximum stimulation for increased national labor productivity, and that mission has indeed changed to one of penetrating the still inexhaustible kinetic forms of the market mechanism of international competition between producers on world markets, then the first mission must give way to the second one, not vice versa. At the same time we need to retain the systemic advantages of planned socialist economic development and international socialist integration and find a new, historically progressive synthesis that incorporates this adaptation of the economic mechanism. The criterion of worldwide convertibility puts questions of the future development of our economy on solid ground that will make possible sober calculations of the profitability of individual branches and sectors of production and services, investments, exports, imports, etc., the restoration of pragmatic national economic thinking, strategic planning and projections. Otherwise one can drown in endless discussions of general theses about extensive and intensive growth, and the new quality of economic growth.

The world socialist system has already embarked on the path of these profound conceptual changes. The economic reforms now in place in the USSR, Poland, Hungary, and Yugoslavia are aimed at achieving convertibility of goods and currency. If we don't want to lose these markets in the future, we have no choice. In a broader context this process should be understood as clearing the way for a future unified world market, with political equality for all participants.

The focal point of CSSR economic strategy projections for the 1990-2000 period, under these historical conditions, objectively becomes the qualitative conversion of our quantitatively too diverse national product to the point where this national product can be evaluated by the criteria of sophisticated world markets. We must make our products convertible on a worldwide scale.

A qualitative change in national product implies a need for a profound structural change as well. This does not involve an a priori qualitative conversion of national product from a product expert's view of quality, but conversion in the sense of producing convertible goods that generate revenue in demanding international competition. By the same token structural changes must support the requirement of producing competitive products.

The objective trends of the current scientific and technical revolution—electronization, computerization, robotization, automation, and biotechnology—are unthinkable without economic mediation. Economics is the directing and motive force in these processes. Economic and social development determine the direction of structural changes. In line with the Marxist theory of the dual character of labor, and Lenin's remarks on the necessity for placing a value on the social character of labor, we should not evaluate structural change only as a change in the composition of specific products (use values), but rather view the progressiveness of structural changes in terms of time savings. The increasing social division of labor and the accompanying increase and changes in the structural composition of labor are motivated by a need to increase labor productivity, by the law of time savings. Concepts of requirements materials balancing and the production of specific products are no longer adequate. It is now essential to use an appropriate, much more complex and sophisticated market mechanism, a valuation mechanism, for planned economic development. The valuation aspects of structural development are fundamental to our future economic practice.

The conditions and trends in the international division of labor are also of fundamental importance for the direction of the structural development of our economy, because of the history of the CSSR as a developed, but small and very open economy. The uniformity and interrelationships between the domestic and foreign markets of the country strengthens as its economic well being increases. National labor productivity, mediated by the international division of labor, makes possible a higher standard of living and greater satisfaction of domestic market requirements. Our increasing participation in developed foreign markets increases and stimulates the quality of the supplies available domestically. The supply of goods available domestically gradually acquires an international character, and approaches what is available worldwide. By the same token, the growing expectations of domestic consumers are the best possible motivation for domestic producers to produce products that can be competitive abroad.

A selective economic policy is the fundamental mechanism for implementing this concept of qualitative and structural conversion. It should provide systematic, all-encompassing, and comprehensive incentives for the profitable production of convertible products, while at the same time uncompromisingly suppress every low quality, low value added product that does not meet demand, and therefore results in economic losses.

A rational approach will require a complete economic reform that will change not only the economic mechanism in the narrow sense of regulations governing enterprise activity, but also qualitative changes in the content and forms of economic policy, including the inseparable, broader social and political considerations. Structural changes should not be understood a priori in a production-technical, technocratic sense, or in a strictly consumer oriented context of specific products, but also in a valuational, economic context. Separating the concrete aspects of structural issues from the valuational aspects, on the grounds that the first can be implemented by central agencies and the second concern their impact on enterprises, is nothing more than an expression of ignorance about economics. The Leninist concept of socialist economic policy considers both enterprises and state agencies as fundamental entities, in the sense that through their systemic interrelationships they are the entities that implement a unified economic policy not with subjective slogans, but by respecting the objective logic of the plan and the market, in conjunction with the utilization of the objective advantages of socialism. These advantages make it possible to achieve dynamic economic prosperity without unemployment and the antihuman aspects of economic Darwinism.

We are engaged in a process of profound change, which is being implemented at the same time that we are dealing with long standing concrete problems. It is a process that will force us to take a number of serious risks. The experiences of fraternal countries that have embarked on programs analagous to the one we are now initiating suggest that we should proceed with caution but also with firm commitment. What is important is not the growth rate, but increased quality, not the expansion of production, but its profound restructuring, not isolated improvements, but comprehensive changes in the application of social justice, not only the movement of materials, but an explosion of information. These are just some of the main components of the current stage of development, which will determine the characteristics of socialism at the start of the 21st century.

The principal agent of this revolution, as M. Gorbachov has referred to the restructuring, can only be a maturely responsible, economically and socially liberated individual. Society itself supports and inspires the development of the multiple requirements, abilities, and talents of this individual, and helps the individual to work effectively. Restructuring also involves an increased, direct impact of this individual on the organizational forms of public life, and the development of the self-administrative,

democratic elements of the socialist state as a specific and essential aspect of a new level of social maturity. A search for the outlines of variants of socialist civilization cannot get by without looking for specific forms of the development and application of socialist democracy. This is a matter not only of defining a principle, but above all of applying it, while respecting both the objective current environment and objective future requirements. The information available to the public undoubtedly has an impact on the evolution of public values.

Even if science takes a strong step forward within the movement of the means of production to occupy a position as a means of production, this in no way means that people will leave the scene. Man as a means of production changes radically when put together with science. Demands for labor force replacement change sharply. A fundamental deviation occurs from the long tradition of simple labor, from conventional industries and industrial employment, to the concentrated implementation of very complex, creative labor based on the application of contemporary science. This is not science in and of itself, but science in conjunction with man. And not only with a skilled, educated human, but with a new historical type of skilled, liberated individual. The real potential for the future development of Czechoslovakia can be based on this essentially socialist ideal.

Quality, Convertibility Most Important, Says Komarek

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[Article by Eng Valtr Komarek, candidate for doctorate of science, director of Czechoslovak Academy of Sciences [CSAV] Projections Institute: "Quality and Convertibility, Not Quantity. Conditions and Constraints on CSSR Social Development"]

[Text] The recognition of actual economic disorders and problems is the first step in correcting the situation. The situation can be changed by exerting pressure to replace the excessive quantity of current national product with higher quality, with the quality criteria determined by world markets, not the domestic market. Progress to gradual convertibility of goods then becomes a logical, though very difficult process. Convertibility in this sense does not mean an objective of production, but a condition for expanding production with an accelerated standard of living as the final goal. Achieving full convertibility of goods and currency, however, requires the development of a realistic complex of mutually related conditions and measures, and their complete implementation. Czechoslovakia is an economically advanced country in terms of its industrial capacity and gross domestic product per capita. However, the quality of the products produced by this economy is not comparable to that of advanced economies. Czechoslovak production, the vast majority of which is oriented to the softer conditions of the world socialist market and the domestic market, does not have to force its way through a

system of harsh competition. Initially this fact led to accelerated economic growth. Our producers, however, adapted to these softer conditions and their competitiveness with developed capitalist states declined sharply.

The crucial problem of our current development is no longer achieving quantitative growth of our national product, but rather radically increasing its quality. World convertibility of goods, determined by the requirements of the most demanding world markets, is the criteria for this qualitative change.

The world socialist system has already embarked on a path of analagous profound conceptual changes. The economic reforms already instituted in the USSR, Poland, Hungary, and Yugoslavia for practical purposes are oriented to convertibility of goods and currency. If we do not want to lose these markets in the future we have no choice. In a broader context, we should view this process as clearing the way for the future existence of a single world market.

World Market Criteria

The focal point of Czechoslovak economic strategy in the near future, viewed objectively in the current historical context, is the qualitative conversion of an excessively large and too wide ranging national product so that it can be evaluated by the criteria of the most demanding world markets.

One way of demonstrating convincingly the large range of the Czechoslovak national product, even in comparison with developed capitalist countries, is to compare relative per capita production of representative industrial products (total engineering, electricity generated, plastics, steel, cement, textile fabrics, footwear, etc.—a total of 15 industrial products) with 11 capitalist countries. In this case the CSSR leads in the production of seven products, is second in the production of two, and third in the production of two others.

Intensiveness of Gross Domestic Product in 1985

Consumption Per 1,000 US GDP	CSSR	Average for Com- parable Developed Capitalist Coun- tries
Primary energy (gigajoules)	19.9	12.2
Crude steel (kilo- grams)	77.1	29.0
Cement (kilograms)	72.0	39.0
Rail transport vol- ume (ton kilome- ters)	1,015.6	179.0

Source: Calculations by CSAV Projections Institute
Note: Developed capitalist states compared—Austria, Switzerland, Belgium, Netherlands, Finland, Denmark

A second measure is to compare comparable magnitudes of gross domestic product. In this case, after 1985 the position of the CSSR, assuming a simulated market exchange rate, came out at 8,000 dollars per capita, a figure that would be closer to 10,000 dollars using the more reliable indicator of relative currency purchasing power. This placed it close to the level of Italy, and at about 80 percent of the levels of Britain, Austria, and Belgium. (We must emphasize that such comparative calculations are very sophisticated and that a number of our economists allow themselves to do much oversimplification in this area, a fact that gives the lay public, which cannot go into the details of this professional issue, with a distorted picture).

Per Capita Gross Domestic Product in OECD Countries in 1985 (US Dollars in Current Prices)

Country	Based on World Market US Dollar Exchange Rate	Based on Parity Purchasing Power of National Cur- rency (in Dollars)
USA	16,494	16,494
Switzerland	14,195	13,441
Norway	13,960	13,886
Canada	13,635	15,223
Sweden	12,006	12,635
Denmark	11,312	12,263
Finland	11,024	11,447
Japan	10,997	11,803
FRG	10,243	12,179
Australia	9,847	11,738
France	9,251	11,445
Austria	8,743	10,735
Netherlands	8,628	11,269
Belgium	8,022	10,683
Great Britain	7,943	10,915
New Zealand	6,746	10,049
Italy	6,278	10,841
Ireland	5,123	6,710
Spain	4,255	77,595
Greece	3,294	6,001
Portugal	2,032	5,529
Turkey	1,057	3,593

Source: National Accounts, Main Aggregates, Volume 1, OECD

Note: Calculations of the CSAV Projections Institute indicate that the CSSR today is at a level of 8,000-9,000 US dollars.

Achieving such a qualitative change in national product implies the need to make profound structural changes. Just as the qualitative conversion of national product should have the objective not of producing identical products but of producing convertible products in terms of world markets, so the structural change should have the objective of facilitating the production of competitive products, not identical products.

Nor can R&D considerations in and of themselves be our primary concern. If a new technology opens up new

opportunities, the motive force of the process will be economics, which gives direction to the structural changes. The valuation aspects of structural development are the most fundamental for our future economic practice.

Conditions and trends in the international division of labor will become more important as determinants of the direction of structural development in our economy, given the environment of the CSSR as a small, developed and in the future increasingly open economy. The economic uniformity and reciprocal relationships between the domestic and foreign markets for our goods will increase. Productivity increases resulting from the international division of labor will make possible a higher standard of living and improved consumer goods inventories. The demand for a broad range of high quality, technically sophisticated products will converge with the evolution of relative national costs and world prices and crystallize in focal points of comparative advantage and disadvantage. Comparative advantage analysis will naturally become an important starting point for all projection strategies.

The CSSR has no particular advantages in terms of natural resources. It does have a number of advantages related to its geographical position in the center of Europe and the opportunity for favorable transfers between West European and socialist East European markets. Other opportunities come from the exceptional historical heritage of the country which holds the promise for an active tourist industry. Labor costs, however, are a clear dividing line when analyzing comparative advantage. The full value of Czechoslovak labor costs is substantially higher than that of other East European socialist countries. For example it is greater than USSR labor costs by a factor of 1.6-1.8. In contrast, our labor costs are still relatively lower than those of developed West European capitalist countries. In contrast to the net hourly wage in most West European countries of 5.5-8 dollars, our comparable cost fluctuates in the vicinity of 4 dollars (given our substantially higher employment level and higher number of hours worked the comparison of total per capita incomes is more favorable for us, trending to a relationship of 70-80 percent of the West European).

This evaluation implies that we should be exporting products that are labor intensive rather than those that are raw materials and energy intensive. We should be trying to export to the USSR and other socialist countries labor intensive, high value added, technically sophisticated products. We should be trying to export to developed capitalist countries, on the other hand, complementary products and services in the middle or slightly advanced ranges of scientific and labor sophistication. This is necessary because rapidly expanding exports from third world countries will definitely force us out of the low end markets in these countries. Further

increases in wages and living standards would weaken this comparative advantage and necessitate a transition to the export of higher technology products.

Foreign Trade Strategy

The territorial structure of our foreign trade has evolved into an extreme position that does not correspond to the needs of a rationally functioning economy. In practice enterprises have, correctly, geared their operations to the critical markets of the USSR and the CEMA countries. This search for soft markets has reached a point where 80 percent of our foreign trade is with the USSR and CEMA countries, while trade with developed capitalist countries has declined to only 16 percent of our trade volume. If the CSSR is to be successful in developing technically advanced, high value added products, even for export to socialist countries, we must arrange for a significant volume of smoothly flowing imports of state of the art equipment and electronics, specialty chemicals and new materials that are needed to introduce new, progressive technologies and to develop technically sophisticated products. The need also increases for imports of quality foodstuffs and consumer durables and for an expansion of foreign travel opportunities in order to enhance the domestic market sufficiently to stimulate sufficient interest in high value added, quality products.

To meet these requirements, over the next ten years there should be a significant increase (by a factor of two to three) in imports from nonsocialist countries (from the current volume of about 4.3 billion dollars annually). This clearly requires a similar increase in export performance in both material goods and services.

Given the assumed growth rate of exports to socialist countries over the next ten years of 1.5 percent per year, the volume of these exports should increase by the year 2000 from the current 12.5 billion rubles per year to approximately 15 billion rubles. The structure of our foreign trade by this time should fluctuate in the range of 60-65 percent with socialist countries, and 35-40 percent with nonsocialist countries. This is about the proportion maintained by other CEMA countries at the present time.

Assuming that our side responds to the new requirements of the Soviet market there is no need to fear any long term stagnation in our mutual economic relations. The Soviet market has a huge potential in terms of both demand and supply. As intensification processes evolve our supply will increase of quality consumer goods, advanced machine tools, modern chemical products, R&D intensive equipment (and licenses) both for the domestic market and for export.

We will also have to modernize our trade with third world countries. This will mean stopping the stagnant exporting of machine tools and arms on credit and begin ventures involving countertrade in products that will be useful for us or which lead to joint marketing efforts in

other third world countries. The focal point of this entire strategic repositioning, however, is a fundamental change in our competitiveness in the markets of developed capitalist countries. This involves the production of goods convertible on world markets. Most of our producers, and even some foreign trade organizations, have unfortunately gotten out of the habit of producing goods of this quality. In addition to high quality, technical sophistication, and service availability, such products also require the ability to react flexibly and quickly to the requirements of individual customers.

Clearly we do not have much of a chance to penetrate markets in developed capitalist countries either with "first line" state of the art equipment or with long production runs of high value added products. Competitive pressure in these markets has strengthened excessively, with the most advantageous positions occupied by traditional suppliers who are fighting pricing pressure from Asian competitors. We would be better off, therefore, to orient our efforts to providing a relatively broad range of complementary products. Attractive Czechoslovak produced products could be positioned in the markets of developed capitalist countries. In the machine tool area we could penetrate markets by offering customized machine tools, or by working as a supplier to a general contractor. Obviously we should try to offer most of the products where we have a reputation for technical sophistication and quality at relatively low prices (because of competition from developed capitalist West European countries). This would include machinery for the textile, footwear, and typography industries, etc. In most cases it is also true, however, that we will not be able to export successfully without cooperatively produced or imported electronics.

We must develop export services to a greater degree. In particular, we should try to expand as much as possible the tourist industry where we have a significant comparative advantage in terms of the number of attractive historical sites, the beauty of the countryside, and our traditional health spas (CSSR—the garden of Europe), as well as the relatively low prices on our domestic market.

The opportunity to expand our export performance in convertible currencies exists because our current exports to most developed capitalist countries fluctuate at a level of a few tenths of a percent of the total imports of these countries. For instance, imports from the CSSR account for 0.21 percent of total imports by the Netherlands, 0.32 percent of the imports of Denmark, 0.21 percent of the imports of Norway, 0.5 percent of the imports of Finland, and 0.14 percent of the imports of France. Similarly imports from the CSSR account for 0.02 percent of imports to the USA. Czechoslovak exports to the USA are 20-33 percent of the exports to the USA of those socialist countries with most favored nation trade status (Hungary, Poland, and Romania). Moreover, imports by the USA from the smaller West European countries—Belgium, the Netherlands, Sweden, Switzerland—are larger than its imports of goods from the CSSR by a factor of 30 to 40.

The low relative size of Czechoslovak exports to developed capitalist countries attests to the fact that technical sophistication and quality are not the only issues, that political-commercial considerations also come into play. Producing convertible goods for the markets of developed capitalist countries also requires learning how to trade, respecting the very sophisticated practices of modern markets, which are a complex interaction of goods, services, financial operations, the export and import of capital, associated operations, cooperation, etc.

Clearly we will have to make profound changes in our attitudes and practices related to issues of cooperation between our firms and firms in developed capitalist countries, changes that will go beyond simple cooperative agreements to more sophisticated forms of joint ventures, joint participation in investing resources, the allocation of capital to selected economic areas, all of course in line with our political interests. Changes of similar magnitude will also be made in the existing regulations covering contacts with foreigners, exchanges of experts, etc. Current practices heavily retard the flexible formation of commercial, scientific, cultural and personal contacts, all of which have the potential to have a positive impact on the development of foreign trade.

Cultivating the Economic Mechanism

The entire concept of putting the Czechoslovak economy and standard of living on a dynamic growth trajectory rises and falls with economic reform. The reform is one that is changing not only the economic mechanism in the narrow sense of the rules governing enterprise behavior, but also overall economic policy including its inseparable, broader social and political context. The qualitative conversion of the national product and the attendant structural changes must be understood as a structure of interests. Powerful interest groups stand behind the old structures, and interest must be generated to create new structures. This is why so far we have been accustomed to separating structural issues, as "concrete," from issues of the mechanism, called "systemic." The grounds for the distinction is that only central agencies can deal with the first set of issues, while the second set of issues are best dealt with by individual firms. This approach to the problem reflects a lack of knowledge of economics. "Restructuring and radical economic reform are fundamental processes," emphasized Michail Gorbachev in the CPSU CC report at the 19th party conference.

It would be an oversimplification to assume that we will get to these new techniques for managing the economy in a single step, for instance by 1 January 1990. This is a process of profound changes that will be implemented at the same time that we are resolving other long standing problems, a process during which we will have to face a number of serious risks. The experiences of the fraternal countries that have embarked on analogous courses of action to the one now facing the CSSR prompt us to move cautiously, but also persistently. It has been shown that to eliminate direct management while not shifting

completely to a money economy, to a smoothly functioning mechanism under safe macroeconomic control, is more likely to worsen a country's position. In addition, a system introduced into an inflationary environment can start to slip away from centralized national control. This is a matter, then, of forming and cultivating a mechanism which in the microeconomic sphere creates opportunity for all types of activities based on entrepreneurial initiatives, but which also places desirable, generally applicable constraints on these activities, and creating the necessary economic pressure to produce movement that benefits the entire economy and society.

It would be overly naive to think that this can be achieved only by passing new laws and rules (regulations) that free up entrepreneurial initiatives. Such activity is only a part of a very complicated, mutually intertwined economic complex.

For instance, if an enterprise is to function on the basis of a market mechanism, it must have the opportunity to set the prices for its own goods. It certainly must do market research on customer needs and adapt its production program rapidly and flexibly, produce innovative products and technologies, sign numerous cooperative and subcontracting agreements, etc. In this entire multifaceted, very vital process (which no one from a distant control center can comprehend) the firm must flexibly calculate costs, taxes, loan repayments and necessary profits, and propose a price in relation to its competition.

A price, however, is not a unilateral action by a supplier that is confirmed by state power. Price is a relationship between producer and user, between the buyer and seller on a market. Just as cost and profit factors play a role in price formation from the supplier's side, an evaluation of the economic worth of a product is important for the potential user. This is the crucial factor that directly forces the supplier to meet a demand, and prevents sellers from raising prices unilaterally.

Two interrelated conditions must be met for this factor to be important:

- There must be competition among suppliers, so users have a choice of vendors.
- There must be economic equilibrium.

This of course implies that supply is greater than total demand. However, the laws of economics force such careful market research and such production flexibility that the excess supply is never too great and ineffective. Moreover, the market price mechanism compensates for the excessive profits and higher prices possible at the beginning of every concrete demand cycle (heightened interest in new product, etc.) with lowered sale prices and losses at the end of the cycle (market saturation,

reduced demand for unfashionable or obsolete products). Of course the more perceptive and flexible have higher profits and lower losses.

Competition can be developed very rapidly in small businesses, which operate primarily in the areas of services and trades. It is useful to allow such activities, but they alone cannot save a mature industrial economy. It is necessary for us also to open new, unusual opportunities for competition between both state and cooperative industrial enterprises.

This opportunity, however, is objectively differentiated based on the nature of the products or services. In fields directly connected with individual demand one can very quickly open up a network of tiny, small, and medium sized cooperating and competing firms. In heavy industry, such as coal mining, power generation, steelmaking, refineries and petrochemical combines, heavy engineering complexes, etc. the situation is more complicated. It makes no sense to break up these operations artificially. It is more rational to put them in the position of transnational giants, whose competitive efforts are aimed at international markets.

In my view it would be rational to have the government participate in the management of these firms. The participation could take the form of government experts, especially economists and financiers, working in the executive offices of the firm. An interesting example of such an arrangement is the Japanese ministry of industry and foreign trade, whose employees frequently hold positions at the staff and executive levels of large enterprises, and who are frequently asked for advice and consulted. At the same time one must recognize other forms, in which these firms cooperate with hundreds of small subcontractors as well as with huge foreign firms. They compete and cooperate in R&D, combine their production facilities with research, a wide spectrum of services, financial operations, etc.

This amounts to the formation of an comprehensive industrial, entrepreneurial concept: we need to decide whether, and in which areas, to focus on small, medium, large, and gigantic transnational firms; whether and when to finance operations ourselves, with foreign capital participation, or to allow foreign firms to invest alone, etc.

Concept of Competition and Equilibrium

Competition at the same time can be weakened or strengthened. It can be oriented in a healthy direction, inhibiting unproductive digressions. Likewise it can be stimulated with various interventions and measures taken by banking, state financial, and foreign trade offices. All of this is connected, however, to the opening of our economy to the world market for goods, currency, and capital, and regulating the extent of their impact on domestic production. This in turn relates to the issue of integrating domestic and world relative prices. The

opening of our economy and the rational influencing of the competitive mechanism also require the legislative and practical treatment of many issues of enterprise adaptability and flexibility, along with problems of professional adaptability and the territorial mobility of the work force, retraining and social programs to deal beforehand with the risk of extensive job losses in failing production operations and enterprises, and of course figuring out a way to handle the closing of unprofitable firms.

The restoration of economic equilibrium, the second condition for rational, market based entrepreneurship, will also be difficult to achieve.

Our economy currently is noted for a significant level of economic imbalance and deficit situations. These are not isolated shortcomings in supplies of retail goods, but a general and typical situation. A supply concept with monopoly suppliers, the distribution of key products based on central material balances, and a single-minded orientation toward qualitative increases in production has naturally led to a situation of structural and global imbalance and permanent deficits. Not only is individual demand for certain types of consumer goods not met. More seriously, enterprise and local agency demand is also not being met for construction materials and equipment, structural and assembly steels, quality machinery, as well as various lines of medium technology items, rolled steels and different types of plate, nonferrous metals, and chemical products.

Behind this imbalanced situation stands not only the current mechanism of a supplier economy, but also the national economic structure, with its excessively large heavy industrial sector. This sector, because of its high capital, materials, and energy intensiveness, its interests and inertia, generates great demand for investment resources, the construction and engineering capacities of suppliers, and basic materials and energy. At the same time this industry is profitable by accepted domestic criteria, and should be able to pay its way with no difficulty even when self-financing is completely implemented. Moreover we also know that new, large nuclear power plants valued at hundreds of billions of korunas, new coal mines and quarries, new, large thermal power plants, large desulfurization stations, new additions to petrochemical complexes, ambitious modernization and reconstruction programs for ferrous metallurgy, and additional large transportation projects are either uncompleted or in preparation. The scope of these projects is gigantic for such a small country. Preliminary calculations indicate that these programs for the further construction of heavy industrial facilities, if not subjected to a fundamental review, will gobble up about two thirds of future industrial investment. Self-finance will not change any of this, because this physical development is regarded almost as an immutable law of nature.

This artificial prosperity, pulled along by a heavy industry running on production for the sake of production and investment for the sake of investment, objectively means

that there will be a continuation of the current trends of a supply driven economy and supplier monopolies in a new, market oriented form. In such a situation it will not be possible to achieve either equilibrium or a decisive position for users. Nor will markets be able to function normally, with their mechanism of supply and demand, competition, balanced prices based on demand, and minimum social costs (maximum labor productivity).

Until such time as there is a relatively rapid and drastic break in the hypertrophy of heavy industry, we will not be able to achieve the proper functioning of markets, and this will hamper the development of reforms from the beginning. This break in heavy industrial hypertrophy can be achieved with the aid of state structural policies, based on scientific planning strategy, that make possible anticipatory tax, foreign currency, credit and customs operations.

This is not all. In view of the fact that the inertia of the self-regenerative capabilities of heavy industry has become of top interest to the state and the nation and that the five year state economic plan will contain target proportions to maintain among investment programs, then the entire transition from directive indicators to indirect indicators ceases to make sense at all.

After all, the point of economic reform is not to make a transition from direct central management mechanisms to indirect ones. Rather, if the center maintains control of the main financial resources for development, the individual enterprise can manage their indirect distribution much more strictly than is possible with a detailed plan breakdown. The point of reform is to turn extensive growth into intensive, qualitatively oriented growth, to inject new dynamism and prosperity into the economy based on the competitive production of generally convertible products and services identified through extensive contacts with developed markets. The goal is to develop the domestic market with a full range of world class goods and services, to raise the standard of living and overall social position of our people to a level comparable to that of the most advanced West European countries. At the same time the intention is to maintain and develop specific social certainties and humanistic objectives of socialism, including among others full employment, true social equality among people and general democratic self-government devoted only to the welfare and cultivation of the natural abilities of man according to his own interests and choice, so long as these do not interfere with the interests of others.

The Question Marks of Unemployment and Inflation

We face the task of developing and implementing an extensive economic-political complex of interrelated measures aimed at developing market mechanisms, assuring the convertibility of Czechoslovak currency, monetarizing our economy, achieving a necessary degree of integration on the domestic market among individuals, enterprises, consumer and investment goods, etc. A

developed market mechanism today functions in all developed capitalist countries. Instead of reinventing the wheel, we should adopt all the modern attributes of the market, always however with a critical eye. For instance, instead of lecturing each other on the importance, content, and major categories of a market mechanism, it would be more fruitful to devote our creative energies to issues of the application of markets to socialism, in a new historical alliance between the market and the plan. In this regard I think it worthwhile to touch on several issues.

First the issue of unemployment. If economic reform is fully focused on overcoming past extensiveness and its related structures and reduced, systematically declining efficiency, then its implementation will uncover a large amount of overemployment, and also result in the occurrence (especially in the first stage) of large structural unemployment. Should a socialist economy with such unemployment be content with it? Of course not, a socialist economy can deal with this excess work force in the background of the sharp increase in efficiency by a combination of shortened working hours, longer legal vacations, improved material conditions for mothers with young children, etc. the structural fluctuations, where large numbers of jobs are lost with the breakdown of old structures and the shutdown of certain operations can be overcome in a planned manner, through timely retraining and by facilitating transitions to other, fast growing sectors of the economy.

Those in favor of accepting some unemployment in a socialist market economy argue that some unemployment is desirable for two reasons: as a necessary pressure on the work ethic (under the current full employment policy some people misuse this full employment to their own advantage), and to add flexibility to entrepreneurial activities and make it possible to react to changes in demand, either by laying off people or by rapidly starting up a new production facility by mobilizing idle workers.

Unemployment and a free labor market clearly have their advantages for a smoothly and efficiently functioning market and entrepreneurial flexibility. They also exert pressure on the work ethic, but there also comes a critical point at which what is good for the economy is no longer good for people. In view of the continuing, relatively large shortage of consumer goods and the objective laws of a market economy, some economic differentiation of profits and consumption is necessary. It becomes unacceptable however when it reaches the point of, for practical purposes, overturning the overriding civilizing principle of the real social equality of people.

As a social system socialism contains certain fundamental tenets that make it very sensitive to the above issues. Even though earlier economic egalitarianism retarded its development, chronic unemployment is even less acceptable. It may be possible, then, to speak of a relaxing of the current strict laws that force everyone to engage in

some form of work (see the law on parasitism), or to tolerate some small degree of temporary unemployment of a structural nature, such as from sharp market fluctuations, but the intentional acceptance of mass unemployment as a permanent situation is scarcely acceptable for a socialist system. This is all connected to the plan, because without planned predictions and an overall national economic orientation to optimal performance, it will not be possible to recognize in time the beginnings of structural unemployment, so we can react by developing retraining programs. National economic planning does not mean the day to day management of common economic processes, but rather the scientific prediction of future development requirements and opportunities, and the timely preparation of programs of fundamental national interest. In this sense, however, the plan is more than a technique, it is a national practice. It is related to preferential treatment or suppression of past or future production or interest groups. Everything depends on the plan taking hold in the social, interest structures of society, on its becoming a tool for economic development, the humanization of work, for making production more ecological and, rather than retarding development, accelerating development with the help of the market. This of course is connected as well with general issues of the further democratization of socialism.

The problem of retail prices and inflation is a very real reform issue. In some socialist countries the view has prevailed that reform involves an increase in retail prices to a level that reflects actual costs. Mainly this involves foodstuff prices, which are substantially higher than production costs—in our country by about Kcs 45 billion.

There can be doubts about the rationality of such a solution. The reason is not inexpensive food, but in the high costs of agricultural production. When prices of major food items are compared with hourly earnings our food is for the most part more expensive than food in West European countries, and our production costs for agricultural products are higher by about a factor of 2. The solution lies, then, in developing the economic conditions for eliminating the systematic waste of capital, chemicals, equipment and energy in agricultural production, and in limiting procurement price subsidies.

Prices must reflect costs, and this is why we are facing the need to adjust price levels and the relative prices of food, consumer durables, services and rents. This does not mean, however, that these operations should involve the unilateral acceptance of high costs and shift the burden of the solution to the shoulders of the general public. The critical factor must be pressure on producers, the tearing down of the demotivating practice of subsidies. We should allow inflationary trends to proceed, then, only in accordance with the development of world process and currency exchange rates that accompany the opening of our economy, and compensate for them with the more dynamic, but heavily internally differentiated development of wages and payments.

Socialist Self-Management in Production Explained

24000039b Prague RUDE PRAVO in Czech
2 Dec 88 p 1

[Editorial: "Socialist Self-Management in Production"]

[Text] Socialist self-management came into our economic life with the establishment of state enterprises. This form of worker participation in management promises to grow into responsibility of work collectives for the management of state enterprises. In other words, it represents a conscious effort to achieve the best possible economic performance, an effort that will be based on the development of initiative, training in work discipline, and in the organized fulfillment of all tasks. What then, have been our experiences so far with the operation of self-management.

Candidate selection, preparations for and the actual election of delegate assemblies and work collective councils in state enterprises have shown that even at this stage self-management can be an effective means for increasing worker participation in management if preparations are thorough and the implementation informal.

In recent months in RUDE PRAVO we have published numerous articles about how good political-educational and organizational work by party and union offices at the early stages of self-management has awakened people's interest in the future of production, in results at their worksites, and in the joint resolution of all problems related to the establishment and operations of state enterprises.

People are thinking more and more in economic terms, and this is positive, as long as it goes hand in hand with responsibility for optimal performance. Thinking together about common problems and exchanging opinions are undoubtedly healthy phenomena that have growth out of the democratization of our lives in the process of restructuring.

We should be clear, however, that these are only the first steps, which must rapidly be followed by others, which in turn need to be accompanied by concrete actions.

In a roundtable discussion of the activities of socialist self-management offices that we published in the 25 October edition of RUDE PRAVO, the chairman of the all-factory CPCZ Committee of the Jitka state enterprise in Jindrichuv Hradec expressed this opinion:

Many people still think of democratization as meaning that they will have input into many decisions, but no responsibility for implementing them. It is correct to have open discussions of problems, and everyone has the right to express his or her opinion and make comments. But then a decision has to be made and an objective pursued uncompromisingly. The minority must give in

to the majority. This is the other side of democratization that we have not learned yet, and for this reason we sometimes lack the necessary "killer instinct."

Exactly, democracy means both rights and responsibilities. We need to keep this in mind.

The fact that the law concerning the state enterprise allows the formation of socialist self-management offices does not automatically guarantee that in state enterprises workers will always have a share of management, or that conditions will exist for developing initiatives and the responsibility to carry out tasks. It certainly won't be that easy, because there have been attempts before, and opportunities, for the active participation of people in management and decisionmaking that have in the end made only minor actual contributions.

Nor in the past did we ever specifically underestimate the initiative and activity of people. The real world—above all an administrative and directive style of planning and management—often directly undermined such efforts. How else can we explain a reality in which the commitment of people has helped to get us through (or rather to hide) shortcomings in supplier-customer relations, or when voluntary commitments of work collectives to produce something in excess of the plan has been, in the next planning cycle, included in the tasks established by directive by a supervisory agency? This style of management and decisionmaking has naturally resulted in mistrust, passivity and lack of interest, which often spills over into attitudes to daily work responsibilities. The law concerning the state enterprise and the existence of socialist self-management agencies now offer an opportunity to get rid of such unhealthy phenomena once and for all.

So far we have not had much experience with socialist self-management. However, it is already clear, for example, that the purpose of self-management is definitely not to replace management. Locations where work collective councils and delegate assemblies were elected earlier during experiments with the new management environment have the most experience. They have learned that socialist self-management must, in addition to participating in decisionmaking, have a reciprocal influence within work collectives. Put concisely, this task is to motivate them to perform quality work, which has become ever more critical to the performance of the entire organization.

Efforts to maximize performance in self-managed state enterprises will certainly lead to a situation where work collectives begin much more consistently to influence those employees who are comfortable enough with the current system, which allowed considerable room for egalitarianism in compensation, anonymity, and lack of responsibility for one's own work.

The law concerning the state enterprise also creates new conditions for each individual really to become a manager at his or her own worksite, for the individual to "keep the accounts" of the collective of his closest work associates. It should not even be necessary to emphasize that this type of work organization represents a better defense against all types of conflicts and negative phenomena that usually have a common denominator—enrichment of the individual at the expense of the whole. Work collectives will certainly very rapidly figure out ways to deal with people who have up until now sponged off the work of others.

The very fact of the legal existence of socialist self-management also forces central management agencies to count more and more on this form of worker participation in management. In other words, it forces them to improve the quality of their management, to bring together in the best way possible national interests with those of the state enterprises. It forces them to rely much more on local initiatives and entrepreneurship and to think about how to incorporate such efforts into national strategic objectives.

In the state enterprises themselves socialist self-management must become as soon as possible a useful managerial coworker. This does not mean that it should become a component of directive decisionmaking "masked" as this collective office which would then only formally approve previously made decisions, defend within work collectives extra work efforts not included in the plan, or silently overlook bureaucratic "jawboning" of employees about the lack of feasibility of their proposals or justified suggestions. Socialist self-management agencies that conduct themselves in this way will quickly forfeit their trust with the workers who elected them.

Socialist self-management represents a significant qualitative enhancement to production. We expect it to be a real engine of healthy movement of entire work collectives, and of forward movement in every state enterprise.

POLAND

ZYCIE GOSPODARCZE Briefs Columns

26000256 Warsaw ZYCIE GOSPODARCZE in Polish
4, 11, 18, 25 Dec 88

[Unattributed news briefs: "Last Week"]

[No 49, 4 Dec 88 p 2]

[Excerpts]

National News

—The Politburo discussed the preparations of the draft of the 1989-90 Plan for Consolidating the National Economy. The difficulties of the Polish economy are, it was stressed, chiefly due to market imbalance and the attendant poor market supply, high inflation, and

the low value of the zloty. The Consolidation Plan should focus on these problems, indicate ways of solving them. In addition, comments of the Commission for Economic Policy, Economic Reform, and Worker Self-Government under the PZPR Central Committee, on the government proposal were considered. The Commission's published position paper states that, as presented in its current version, the government draft of the Consolidation Plan does not as yet represent a sufficiently cohesive and lucid exposition of the new economic policy. The Commission proposes reworking the draft so as to make it conform better to social expectations as well as to the challenges facing the economy—in 1989, too. [passage omitted]

—The Economic Committee of the Council of Ministers has decided to allow the importation without permits of foreign exchange amounting to up to US\$500 million. It was established that the government draft for amending the foreign-exchange law will pursue the goal of fundamentally liberalizing the regulations (introducing foreign-exchange transactions between private individuals and further facilitating the disposal of foreign exchange). In addition, a decision was made on new guidelines for granting housing loans. The application of standard cost as a criterion was rescinded.

—The Presidium of the Polish Academy of Sciences considered the Academy's report on the environment. Scientists have proved that environmental pollution has resulted in an increase in the number of cases of cancer, hypertension, stomach ulcer, duodenal ulcer, ischemia, neuroses, and diabetes. In regions with a high concentration of industry infant mortality is higher. [passage omitted]

—In Lodz gathered more than 1,300 delegates to the Congress of the Reborn Polish Trade Unions, which had been held 2 years ago [as published]. The principal purpose of the assembly was to discuss the role to be played by the trade union movement in a situation of accelerated changes in the country's economy and public life.

—Following 14 years of construction the mine of the Belchatow Mining and Energy Basin has reached its full designed extractive capacity. The last of the 12 turbine-boiler units was released for use in the power grid. [passage omitted]

—In the immediate future a proposal for the Bank of Economic Initiatives will be submitted to the Council of Ministers. The proposal is being drafted by the Society for the Promotion of Economic Initiatives, which continues to be chaired by [Prime Minister] M. F. Rakowski. The newly planned bank will operate as part of a network of commercial banks. [passage omitted]

—The Council of Ministers accepted the draft Decree on the Central Planning Office. The draft abolishes the Planning Commission under the Council of Ministers as an administrative-social collegial body. Likewise, it abolishes the Presidium of the Planning Commission and the office of the chairman of the Planning Commission. This will result in simplifying the internal organizational structure, reducing the size of the staff, and improving the quality of planning at the new Central Planning Office, which will operate as a government staff headquarters serving to assure that plans would influence the growth, directions, and proportions of the economy. [passage omitted]

Foreign News

—[passage omitted] At the invitation of the London Chamber of Industry and Commerce, Secretary of State at the Ministry of Foreign Economic Cooperation Andrzej Wojcik visited Great Britain. [passage omitted]

—During the first 9 months of the year the number of citizens of other socialist countries traveling to the CSSR [Czechoslovak Socialist Republic] increased by 5.1 percent compared with a like period last year, and that of citizens of the capitalist countries, by 23.2 percent. Thus while, RUDE PRAVO observes, e.g., the PRL was visited by 578,000 Czechoslovak citizens, during the same period 3,293,000 Polish citizens visited the CSSR. Similarly, during the first three quarters of the year 7,341,000 citizens of the GDR visited the CSSR, which was fourfold as many as the number of Czechoslovak citizens who visited the GDR. The CSSR was visited by 4,290,000 Hungarians, which was three times as many as the number of CSSR citizens visiting the Hungarian Socialist Republic. In this case, too, 1-day trippers account for a majority of the visits and the nature of these trips is largely commercial, RUDE PRAVO commented.

—According to an announcement by the GDR Deputy Minister of Transportation Heinz Rentner, maritime transportation plays a dominant role in GDR-USSR trade. At present three-fourths of goods imported by the GDR from the Soviet Union and 45 percent of those exported to the USSR are carried by sea. During the second year of the operation of a rail ferry line linking Mukran in the GDR with Klaipeda in the Lithuanian SSR, that is, from October 1987 until September 1988, it carried about 82,000 freightcars transporting 2.4 million tons of freight.

—Information presented by the Central Statistical Office of the People's Republic of Bulgaria indicates that during the first three quarters of this year net output (not including agriculture) increased by 10.3 percent; labor productivity, by 9.1 percent; commodity output, by 6.1 percent; volume of foreign trade, by 3.7 percent; and volume of retail trade, by 4.8 percent, while at the same time average wages in manufacturing increased

by 4.9 percent. The data on agricultural output are less optimistic. To be sure, organizations subordinate to the National Agroindustrial Association increased their crop output by 10.8 percent compared with the first three quarters of 1987, but it should be borne in mind that last year there had been a decline in agricultural output.

—A spokesman for the State Statistical Office of the People's Republic of China declared that in October signs of an improvement appeared in the Chinese economy, the market showed a stabilizing tendency, and panic buying decreased. In addition, expenditures by state institution declined by 7 percent compared with September. There were fewer instances of unjustified price hikes and a greater number of high-grade consumer goods appeared on the market. Bank savings reached a nearly normal level following a long period of decline. The cost-of-living index in 32 large and medium cities increased by 1.5 percent in October compared with September. The value of industrial output increased by 3.5 percent compared with September. [passage omitted]

—Councilor Yuriy Matveyevskiy of the Soviet embassy in Brussels announced that the second round of talks between the EEC [EC] and the USSR, to deal with trade and cooperation, will be held in February or March.

[No 50, 11 Dec 88 p 2]

[Excerpts]

National News

—[passage omitted] The founding meeting of the Association of Polish Employers was held in the clubhouse of the 22 of July Factory. It was attended by more than 140 managers of various factories. An organizing committee was formed, and the draft of the statute submitted for registration was discussed. [passage omitted]

—In his speech at the Fourth Plenum of the ZSL [United Peasant Party] Supreme Committee Roman Malinowski declared, "It is high time to resolutely battle the malaises besetting sociopolitical and economic life and reach a national agreement, sovereign talks among Poles at the Roundtable [proposed talks between the regime and the opposition]. Responsibility for Poland is indivisible, but no one may abuse the importance of his own position. The ZSL appeals to all those interested in those talks, to all the forces to which Poland's good is the supreme cause, for relinquishing any desire to change the views of the 'opposing side,' and for endeavoring to work out through negotiations common agreements and the indispensable compromises." [passage omitted]

—The Main Council for Science and Higher Education has offered many reservations concerning the proposed provisions of the Decree on Associations, particularly those affecting scientific associations and the associations of university students and alumni.

- Following reviews by 14 ministers of state and 14 central offices, the Ministry of Justice was notified about 3,850 legal acts to be included in the list of mandatory ones as well as about 3,609 acts which should cease to be binding.
- Thirteen million persons of Polish origin live outside Poland. The emigration trend persists and until the end of this century the number of emigrants will not be below several score thousand annually. This wave will not be halted by administrative fiat, particularly considering that from the legal point of view (owing to, among other things, the ratification of the International Pact on Civil and Political Rights) any citizen has the right to freely choose his site of permanent residence, and hence also to emigrate. The Socioeconomic Council has proposed acknowledging the fact of the existence of a part of the Nation outside Poland's borders, that is, normalizing the treatment of this issue and acknowledging past mistakes in that treatment.
- The Constitutional Tribunal received a plea from the Federation of Trade Unions of the Shipyard Industry to evaluate the constitutionality, of the Executive Order No 42 of 29 October 1988 of the Chairman of the Council of Ministers Concerning the Shutdown of the Lenin Shipyard in Gdansk, and the consonance of that executive order with the decree granting emergency powers to the Council of Ministers.
- On 30 November the Chairman of the National Bank of Poland Zdzislaw Pakula received Director Eugenio Larie of the World Bank. The conversation touched on current problems of cooperation between Poland and that significant financial institution. The awarding of credit to Hortex [a Polish fruit and vegetable cooperative] by an international financial institution affiliated with the World Bank was noted with gratification.
- The Chairman of the Economic Committee of the Council of Ministers Deputy Prime Minister I. Sekula stated that Polonia companies [companies run in Poland by Western citizens of Polish origin] have an ally in the government "not out of sentiment but owing to common interests."
- The National Association of Managers has been established. The purposes of the Association include creating organizational, legal, and operating conditions for the integration of managers from all [state, cooperative, private] sectors of the economy and opining on matters relating to new legal-organizational and financial-economic solutions on the regional and national scale.

Foreign News

- [passage omitted] A draft agreement on cooperation in protecting the environment among Poland, the GDR, and Czechoslovakia was the subject of a meeting of

deputy ministers for environmental protection in these countries, held in Berlin. The prepared document is to serve as the basis for taking practical and effective measures to curtail environmental pollution in the three countries, with special consideration of border regions and causative factors of forest degradation. [passage omitted]

- At the invitation of the Soviet Minister of Foreign Affairs Eduard Shevardnadze, the Chinese Minister of Foreign Affairs Qian Qichen paid an official visit to the Soviet Union. This is the first visit by a Chinese diplomatic chief to the USSR since 1957. "In the opinion of both parties, at the present moment, the situation has matured for organizing a Chinese-Soviet summit meeting. My visit to the USSR and the expected return visit by Minister Shevardnadze to China are part of the preparations for the summit meeting," declared Qian Qichen.

- In Moscow was signed an agreement on Soviet purchases of American grain. The agreement covers a period of 27 months and obligates the Soviet side to purchase at least 9 million metric tons of grain within the next 2 years (by the end of 1990). It specifies that the USSR will buy annually at least 4 million metric tons of wheat, 4 million metric tons of corn, and 1 million metric tons of either of these grains or 2 million metric tons of soybeans or soybean meal.

- The State Statistical Administration of the PRC reported that the official inflation index in October reached more than 26 percent, a record high in the last 30 years, and that it is expected to further increase by year end. [passage omitted]

- It ensues from the figures of the Eurostat, the Statistical Office of the EEC, that the prices of consumer goods in the countries of the European Community rose by one-half of a percent in October, and by the same token the annual inflation rate rose to 3.9 percent compared with 2.9 percent a year ago. The rise in the inflation rate is chiefly due to the marked price hikes in Greece, Great Britain, Portugal, and Italy.

[No 51, 18 Dec 88 p 2]

[Excerpts]

National News

- The Politburo adopted a resolution introducing experimental organizational solutions and operating procedures for the party in the Slupsk, Legnica, and Koszalin voivodships. Essentially the purpose is to assure greater participation by rank-and-file members in the activities of PZPR echelons and to develop programs for their broader activism in various milieux and communities allowing for broad participation by party and nonparty members. The concept of economic self-government chambers was discussed. Members of

such chambers could include state enterprises represented by their directors and by the chairpersons of worker councils. Among other things, these chambers could provide consultation on legal regulations, especially those concerning the operating conditions of enterprises.

—The Prime Minister forwarded to the Sejm the draft 1989 Budget Decree which envisages state budget revenues at 16,618 billion zlotys and expenditures at 17,677 billion zlotys. The Budget deficit will be 1.058 billion zlotys at year end. It would be offset by borrowing from the National Bank of Poland by the minister of finance.

—As of next year there will be a roughly 45-50 percent increase in insurance premiums for civil responsibility, the consequences of unfortunate accidents, and automotive collision damage. As for estimates of the increase in income, they were not provided. [passage omitted]

—The crisis of real socialism, the model of the Polish state, the relations between the authorities and the society, the representation of nonparty people in the Sejm, and the situation of youth were the topics of hours' long discussion at the General Assembly of the Polish Academy of Sciences.

—It is estimated that carp breeders will provide about 18,000 tons of that fish. Six years ago only half as much was available and the wigilia demand for that fish had to be complemented with imports. Nowadays stores have problems because of the abundance of carp. Like they say, from the frying pan into fire.

—The Economic Committee of the Council of Ministers decided to increase the rewards for new inventions, in proportion with the increase in wage levels. There will be an increase in the award fund for persons contributing to the application or accelerated implementation of project designs or to the promotion of inventions.

—In Warsaw met a combined government-trade union taskforce for the legal and economic protection of the employees of dissolved enterprises. The principal problem is to reach a systematic rather than sporadic approach to the problems of employees laid off owing to the shutdown of a plant or factory, although intercession in individual cases is not precluded. According to W. Martyniuk, the principal cause of the divergence in views is the trade unions' demand for monetary severance compensation for the laid-off employees. The government side is to present its own proposals on this matter.

—Under Secretary at the Ministry of Industry Stanislaw Klos announced that coupons for passenger cars will be abolished as of the new year. Of the approximately 300,000 passenger cars, according to S. Klos, which will have reached the domestic market in 1988 only

about 15 or so percent are sold through the coupon system. The largest proportion of cars sold through the coupon system (about 30 percent) went to miners. An installment payment system for selling cars is to be introduced.

—Upon returning from a consultation with the head office in Turin, Fiat's representative to Poland Enrico Pavoni said he thought reasonable the proposal of Minister Wilczek to convert the FSO [Passenger Car Factory] to the production of low-displacement cars. This proposal, he said, provides for the integration, that is, optimal utilization of the potential of two factories. The Italians expect the arrival of a Polish delegation in Turin in order to discuss with it the details concerning, among other things, the model for the future car to be manufactured at the FSO.

—Communiqués from sessions of the Council of Ministers again are—following a short hiatus—lengthy. The 1989-90 Plan for Consolidating the National Economy was voted upon; proposals for revising the 1988-90 National Socioeconomic Plan were adopted; the Central Annual Plan for 1989 was voted upon (4.2-percent increase in GNP and an increase of 4.2-4.3 percent in consumption); draft decrees on the banking law and on the National Bank of Poland were adopted.

—Between 7 and 12 December 1988 the National Census was taken throughout the country.

—The City Hall of Lodz received an application for registering the Medical Society for Emergency and Catastrophic States. Professor Dr Wojciech Gaszynski of the Military Medical Academy in Lodz defines the principal purpose of the Society as adding to the knowledge and training of ambulance and emergency-ward physicians and making the public more aware about the rules for handling victims of accidents and disasters.

—The Federation of the Trade Unions of Mariners and Deepsea Fishermen applied to the Constitutional Tribunal with a request for verifying the consonance of the decree of the Council of Ministers defining the guidelines for the employment of seamen and fishermen by foreign shipowners with the decree on trade unions and the labor law code.

Foreign News

—[passage omitted] In Moscow was held the 39th session of CEMA's Committee for Scientific and Technical Cooperation. It was attended by a Polish delegation headed by Deputy Prime Minister Janusz Patorski. The Committee approved many major joint innovation projects, including the designing of a ceramic automotive engine, the development of composite materials with special properties, and the production of new anticorrosion and high-temperature coatings.

- In Montreal, during a ministerial session of the General Agreement on Tariffs and Trade (GATT) an address was delivered by the chairman of the Polish delegation, Minister of Foreign Economic Cooperation Dominik Jastrzebski. He viewed positively the state so far of the multilateral negotiations within the framework of the so-called Uruguay Round. He affirmed Poland's interest in making progress in liberalizing world trade as well as in a broader access to the market of our GATT trade partners. [passage omitted]
- In Beijing price controls on many foodstuffs and consumer goods were restored as part of continued efforts to combat inflation. This measure was taken following the announcement that by year end the inflation rate will have reached 20 percent.
- If economic measures produce no results in the form of an improvement in China's economy, administrative measures intended to assure greater macrocontrol of the country's entire economic mechanism will be taken, Prime Minister Li Peng declared.
- PRC Deputy Prime Minister Yao Yilin declared that the principal purpose of economic activity in 1989 will be to cool the overheated economy, reduce the growth rate of prices to a level lower than this year, and increase the grain harvest. The deputy prime minister pointed out that there exist only two roads for China. One road is favorable and requires unremitting effort in order to fully exploit the country's huge potential by halting inflation and assuring economic recovery. The other road is gloomy, because it leads to bad consequences due to vacillations and inconsistency. "We must, by means of economic planning next year, strive to translate that first possibility into reality." [passage omitted]
- At the seat of the Polish Pen Club was held on 20 December a meeting with Leszek Kolakowski, visiting this country for the first time in 20 years. The philosopher, who currently is a lecturer at United States universities, presented a lecture on "World History." [passage omitted]
- Theses of the Politburo of the PZPR Central Committee for the 10th Plenum were published. Their title is "Reform Within the Party as a Prerequisite for the Success of the Strategy of Renewal and Reforms." The chapter "The Party and the Economy" states, "The enterprise must independently take economic decisions so as to benefit economically and financially from astute and valid decisions while at the same time bearing the consequences and the risk of mistaken decisions. In practice this means putting a stop to the still occurring instances of administrative-political interference with the production process at autonomous enterprises." [passage omitted]
- As of 20 December silver coins with a nominal value of 50,000 zlotys, bearing the visage of Jozef Pilsudski, will be introduced into circulation. [passage omitted]
- The Sociopolitical Committee of the Council of Ministers has accepted the directions of the reform within the health service (medical care will be financed from a health insurance fund established on the basis of discrete insurance premiums). The Committee also found that the situation as regards interpersonal contacts in the socialist community conflicts with the general worldwide tendencies and does not promote strengthening friendship, cooperation, and integration.
- The workforces of 67 enterprises for health service maintenance commenced a protest action on 15 December (state flags at enterprise gates, red-and-white banners on ambulances, and posters with notices about wage demands). According to Minister I. Planeta-Malecka, a new system for financing health service which incorporates wage reassessment will be effective as of 1 January. It is difficult for the time being to be specific about the extent of the planned wage increases, the minister said, but they should result in resolving the conflict.

[No 52, 25 Dec 88 p 2]

[Excerpts]

National News

—[passage omitted] The economy in 1989, the directions of changes in economic policy, the laying of legal foundations for revival and entrepreneurialism, and problems of the state budget, and especially of the finances of people's councils, were the principal topics of the conference of voivodship people's councils and voivodes held on 19 December in the Sejm Building.

—In Warsaw was signed the protocol on Polish-Soviet trade in 1989.

—The National Council of the Federation of Trade Unions of Health Care Employees decided at its session on 20 December to suspend the collective dispute with the government about wages initiated on 23 November. [passage omitted]

Foreign News

—The chairman of the National Academy of the Exact Sciences, United States, Frank Press announced that the American academy has resolved to establish a joint committee for ecology together with the USSR Academy of Sciences. The scientists will jointly study

the perils presented to the world by the excessively rapid process of uncontrolled industrialization and worldwide depletion of energy sources and raw materials, as well as by all other negative consequences of man's interference with the laws of nature.

—The West German government desires further liberalization of the COCOM [Coordinating Committee for Strategic Exports] list. According to that government, the restrictions imposed by COCOM caused West German enterprises to lose roughly 268 million marks during the 1982-87 period. In June 1988 modified COCOM lists were introduced, but even these are "not satisfactory," in the opinion of the Bonn government. [passage omitted]

—Secretary of the Presidium of the Central Committee of the Yugoslav CP Stefan Koroshec declared at a press conference following the 19th Plenum, "The Yugoslav society as a whole must commence an overall reform based on an economic reform. We are entering upon this reform not only in order to surmount the crisis but also in order to build a socialism to fit the 21st century, a socialism to fit man." It has to be a reform in three directions: the economy, politics, and the Communist Party. A document defining the assumptions for the reform within the Yugoslav CP shall be presented next January or February. The 14th Congress of the Yugoslav CP, scheduled for mid-1990, shall adopt the assumptions for the new constitution of the Socialist Federated Republic of Yugoslavia.

—Secretary of the Presidium of the Central Committee of the Yugoslav CP Stefan Koroshec also commented on the subject of proposals for the incorporation of the Socialist Federated Republic of Yugoslavia in the European Community: "A basic factor of economic growth on the European territory is of course the EEC [EC], which shall in the foreseeable future become an integrated market for 18 countries. It is likely that CEMA countries, too, shall begin to form an integrated market based on criteria and standards which will not differ too much from those applying to the expanded EEC. Hence, the functional, growth-oriented formation of ties between Yugoslavia and both the EEC and CEMA is merely a form of joining the mainstream of worldwide economic trends. This does not mean any political concessions on our part whatsoever, and neither does it imperil the socialist nature of our society."

—USSR Prime Minister Nikolay Ryzhkov announced that the Soviet government will shut down a nuclear power plant in Armenia during 1989-90 "to meet the wishes of the society." Councilor of the USSR Embassy in Ankara Vladimir Georgiyev declared to reporters that the nuclear power plant, located near Yerevan, was not damaged by the earthquake but is operating at reduced capacity as a form of insurance in the event of a repetition of the earthquake.

—The Soviet Union intends to build prior to the year 2000 a nuclear power plant with a high-temperature reactor, along with two other such plants next year [as published], Reuter's announced, referring to the comments by the Spokesman for the State Committee for the Utilization of Nuclear Energy Aleksandr Prozenko. The first of the planned 1,000-megawatt plants will be erected near the Volga in collaboration with West German firms.

—Beginning in 1989, Soviet citizens will be able to own the dwellings they inhabit upon paying in advance 50 percent of the value of the dwelling and paying the remainder in installments over 10 years. The funds derived from the sale of dwellings will be used by the state to expand housing construction.

YUGOSLAVIA

Development of Hydroelectric Power Stations Urged

28000050a Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 14 Nov 88 pp 22-23

[Article by Dragan Nedeljkovic: "What Has Been Muddying the Waters?"]

[Text] The Yugoslav Electric Power Community last week organized a professional conference in Opatija with the significant title "Faster and More Efficient Utilization of Yugoslavia's Hydropower Potential." Even the elementary figures on that potential explain the title of the conference: of the 71 billion kwh of the country's annual hydropower potential, 33 percent, or 26 billion, is being utilized. That potential is sufficient for building hydropower plants with an installed capacity of 21,000 MW, but so far some 50 hydropower plants have been built with a total capacity of 8,000 MW (40 percent utilized). About 45 billion kwh of capacity are discharged unused, which is a luxury (some other word would probably be more appropriate) that no country in Europe permits itself. With respect to utilization of this natural resource, then, Yugoslavia is pinned to the bottom of the list of European countries, although it is among Europe's richest countries because of its favorable climatic and topographic conditions.

In the Drina watershed, 10 billion have been utilized (less than 30 percent), but water is flowing down without being used on other rivers as well. On the Sava, there are 3.3 billion unutilized, on the Vardar 2.9, on the Morava 2.2, on the Drava and Mura 2, on the Trebisnjica 1.3, on the Moraca 1.3, on the Zeta 1.3, on the Neretva 3.1, on the Soca 1, and on the Una 1.3 billion kwh. In the breakdown by republics, 13.7 billion are not being used in Bosnia-Herzegovina, 4.6 in Montenegro, 8.6 in Croatia, 5.6 in Macedonia, 6.8 in Slovenia, and 6.1 billion kwh per year are not being utilized in Serbia proper.

The experts are unanimous in their judgment that this is an intolerable situation, and they propose a number of measures and actions aimed at initiating more rapid and efficient utilization of the hydropower potential. Moreover, these are not just power engineering experts, since, as was especially emphasized in Opatija, there are no longer any large hydropower plants which can be built for just one purpose. Using the resolutions of a recent congress on Yugoslavia's waters, they point out that water resources are not uniformly distributed either in terms of geography or time, so that large multipurpose projects are a condition of general development. Thus, in the Dinarids, for example, the average annual streamflow is 25 liters/second, while in the Vardar and Morava valleys it is less than 5 liters. Nearly 70 percent of Yugoslavia's total annual streamflow occurs in 2-3 months.

What To Build

Energy and water are indispensable to future development: after coal, hydropower is the largest domestic energy resource, and there are no alternatives to regulating streams, irrigation, managing seasonal flows, and supplying water for industry, cities, and the population. Undertaking construction of multipurpose energy and water management projects also means providing long-term employment to numerous participants, from designers and builders to manufacturers of equipment and fitters, and this would at the same time give an impetus to development of the underdeveloped regions where the unutilized potential is mainly located. The participants in the conference insist that political decisions not be made on the large hydropower projects and water management solutions, since they could have long-term harmful consequences. Building a storage reservoir in the upper watershed of the Drina where it meets the Tara can serve as an example; there it is possible to preserve a portion of the canyon and still not forego a reservoir which regulates the entire course of the Drina and makes it possible to supply water to entire regions.

This is not the first time that the specialists have initiated a campaign for faster utilization of the hydropower potential. The Economic Chamber of Yugoslavia and the Yugoslav Electric Power Community took similar action in 1981, when the unemployment of construction workers was given as a motive. Two years later, the Chamber of Republics and Provinces of the SFRY Assembly examined the specifically prepared "Analysis on Possibilities for Faster Utilization of Yugoslavia's Hydropower Potential," which it adopted and then passed appropriate resolutions. The arguments then were similar to those now: Yugoslavia possesses a large hydropower potential which is not being utilized, energy and stream regulation are indispensable to development, the generation of power from water does not pollute the environment (not in the classic sense of smoke and ash),

this is renewable energy for which no fuel at all is used; all of the work from the design and construction to the equipment and installation can be done by Yugoslav organizations, and so on.

Nevertheless, nothing has changed—for decades now, hydroplant production has been in a state of stagnation. There are now four projects under construction, among which only the "Visegrad" HE is in the Drina watershed. The last hydroplants built on the watersheds of two republics and using the potential of several sociopolitical communities were built back in 1965 on the Trebisnjica. Since then, not a single "joint" project has even been started, not even after the agreement spectacularly reached among Bosnia-Herzegovina, Montenegro, and Serbia on exploitation of the Drina watershed. In the meantime, however, several projects have been built and put on line that were based on intergovernmental agreements—with the Romanians on the Danube, with the Hungarians and Austrians on the Drava, with the Italians on the Soca, with the Albanians on the Drim, and with the Bulgarians on the Vlasina.

It is difficult to explain why agreements on utilization of hydropotential and water are easier to reach with neighboring countries than among the republics and provinces. Difficult because common sense has to be brought to bear on irrational actions, and ideas cleared up as to statehood and property and the division of electric power and water management organizations among the republics and provinces, that is, concepts which do not exist in legislative practice or economic logic. A part of the explanation, however, lies in the constitutional principles and provisions whereby the republics and provinces have jurisdiction and are responsible for the supply of electric power to consumers on their territory. The general divisions had something to do with evolution of the rule whereby they can build energy facilities only within their own territory. It is a fact that designs are being made and arrangements concluded for construction of power plants fired with imported coal, petroleum, or gas, but domestic water is running off unused as though it is of no concern to anyone.

Is Money the Problem?

The experience gained in the previous two campaigns for faster utilization of the hydropower potential forced the specialists to undertake the new initiative more realistically. Earlier, they emphasized the general benefit; they said that commencing large projects could initiate a way out of the crisis; they mentioned large quantities of energy which are being lost, but could be used. It was to little purpose that strategies or programs for development of the fuel and power industry (never officially adopted) stated that by the end of this century and in the first years of the next all of 150 hydroplants would be built, thereby utilizing the entire hydropower potential. This time, they named the priority projects which ought to be built: one on the Tara, two on the Drina, and then on the Moraca, Sava, Mura, and Vardar. The "planning

optimism" they once had was avoided, if some 50 power plants could be built in 4 decades, it is obvious that 100 or even all 150 cannot be built in 1, they tried to say that the task should be undertaken within the limits of real capabilities, but also that this is a long-term project, not a passing campaign.

Except for the institutional impediments which have already been mentioned (and which, incidentally, remain even after adoption of the constitutional amendments), the basic "problem" for commencement of any action is the lack of money. Hydropower plants are expensive projects, they require large investments. They are more expensive than thermal plants unless the opening up of mines and equipment for environmental protection and revitalization of the soil are included in the investment in the thermal plant. They cost almost as much as nuclear power plants unless the costs of closing down these plants or depositing the waste are included. Their advantage is in operation, the costs are minimal.

Nevertheless, the problem of furnishing the money to build hydropower plants has been artificially created and that also goes for the making of decisions concerning their construction. The problem lies in the system whereby resources are concentrated. All users of multipurpose projects cannot "pool" their resources at the level of a sociopolitical community, and it is another story altogether that there is no capital formation to speak of in either the electric power industry or water management, and futile discussions of "pooling" resources from the territory of two or more water districts have been going on for decades now. All the changes that have been announced, from the constitutional amendments to the reform of the economic system, change nothing essential, so that it is easy to foresee the fate of this effort. In the case of the hydroplants, it is true, there is one alleviating circumstance—the readiness of the World Bank to furnish credit to finance their construction.

POLAND

Catholic Youth Association Registered in Warsaw, Goals Outlined

26000270 Krakow TYGODNIK POWSZECHNY in Polish No 4, 22 Jan 89 p 7

[Unattributed article: "Association of Catholic Academic Youth in Warsaw"]

[Text] On 28 December 1988 the Socioadministrative Department of the Warsaw Municipal Administration registered the Association of Catholic Academic Youth, which as of that date gained legal entity.

The Association's members are university and postsecondary students from Warsaw, Konin, Lodz, Piotrkow, Ostroleka, Plock, Radom, Siedlce, and Skierniewice voivodships, and it is active at institutions of higher education and postsecondary schools, at which it is establishing its chapters.

As per its by-laws, "The purpose of the Association is to shape, in accordance with the tenets proclaimed by the Catholic Church, the individual and social attitudes of academic youth in order to broaden its commitment to the life of the academic community, the nation, and the society by means of: propagating Christian ethical tenets concerning personal, family, social, and state life; participating in public life on the basis of the Catholic social doctrine; self-education and upbringing in accordance with the Polish religious and national tradition; propagation of Christian culture."

The Association is to accomplish its objectives by means of: cooperation with academic and student body governments as well as with the associations and organizations

active on campuses; cooperation with organizations acting on behalf of the common good, such as the Movement for Sobriety, charity campaigns, the Ecology Movement, and others; organization of lectures, gatherings, symposia, and discussion meetings; organization of self-education groups, provision of information services, publishing activities; organization of retreats and pilgrimages; organization of camps, rallies, and sports events; management of cultural-social academic clubs and sports sections; conduct of economic activity; cooperation with domestic and foreign student organizations; organization of social welfare and student self-help; and cooperation with Campus Chaplaincy Centers.

Membership in the Association is open to university and postsecondary students, as well as to the alumni of these educational institutions 2 years following their graduation. The by-laws provide for active membership, participating membership, supporting membership, and honorary membership. Members of the Association benefit from spiritual care by the chaplain of the Association.

The by-laws of the Association have gained the approbation of the ecclesiastical authorities.

The initiative to found the Association came from students at the Warsaw Polytechnic, the University of Warsaw, the Main School of Agriculture, the Main School of Planning and Statistics, the Medical Academy, the Academy of Catholic Theology, and the Postsecondary Teacher Training Center. The temporary seat of the Association is on the premises of the St. Anna Church, Warsaw, Krakowskie Przedmiescie 68.

This initiative of student youth was supported by Warsaw's academic chaplains headed by the Reverend Zygmunt Malacki, rector of the Academic Church of St. Anna in Warsaw. Professor Wieslaw Chrzanowski and the Reverend Alojzy Orszulik served as counsels during the registration process.

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